

numbers SR–NYSEAMER–2026–59, SR–NYSEARCA–2026–75 and should be submitted on or before July 28, 2026.

V. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule changes, as amended, are consistent with the requirements of the Act and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,³⁵ that the proposed rule changes (SR–NYSEAMER–2026–59, SR–NYSEARCA–2026–75) are hereby approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105831; File No. SR–NYSEAMER–2026–54]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing of a Proposed Rule Change To Amend Rule 903G and 906G

July 1, 2026.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (“Act”) ² and Rule 19b–4 thereunder, ³ notice is hereby given that, on June 29, 2026, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 903G and 906G related to Flexible Exchange (“FLEX”) Options. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rules 903G and 906G related to FLEX Options.

FLEX Options are customized equity or index contracts that allow investors to tailor contract terms for exchange-listed equity and index options. A “FLEX Equity Option” is an option on a specified underlying equity security that is subject to the rules of Section 15.⁴

Generally, FLEX Equity Options are settled by physical delivery of the underlying security,⁵ while all FLEX Index Options are settled in cash.⁶ In February 2020, however, the Exchange amended Rule 903G to permit cash settlement for up to 50 FLEX Equity Options with an underlying security that is an ETF meeting certain criteria: an average daily notional value of \$500 Million or more and a national average daily volume of 4,680,000 shares, measured over the prior six-month period. Where more than 50 ETFs qualify, the Exchange selects the 50 with the highest average daily volume.⁷

The Exchange proposes to: (i) amend paragraph (c)(3)(ii) of Rule 903G to permit cash settlement for up to 50 non-ETF FLEX Equity Options whose underlying security meets the same

criteria currently applicable to ETF FLEX Equity Options noted above; and (ii) amend paragraph (c)(3)(ii)(A) of Rule 903G to provide that, where more than 50 underlying ETFs or 50 underlying non-ETFs qualify, the Exchange will select the 50 qualifying securities with the highest average daily notional value, replacing the current usage of highest average daily volume.⁸

The Exchange proposes to amend Rule 903G, paragraph (c)(3)(ii), to permit cash settlement for up to 50 non-ETF FLEX Equity Options whose underlying security meets the same criteria currently applicable to ETF FLEX Equity Options: an average daily notional value of \$500 Million or more and a national average daily volume of at least 4,680,000 shares, measured over the prior six-month period.⁹ The Exchange believes that average daily notional value and national average daily volume are, collectively, an appropriate proxy for selecting underlying securities that are not readily susceptible to manipulation for purposes of establishing a settlement price. Average daily notional value considers both the trading activity and the price of an underlying security. As a general matter, the more expensive an underlying security’s price, the less cost-effective manipulation could become. Further, manipulation of the price of a security encounters greater difficulty the more volume that is traded.

To calculate average daily notional value (provided in the table below), the Exchange summed the notional value of each trade for each symbol (*i.e.*, the number of shares multiplied by the execution price) and divided that total by the number of trading days in the six-month period reviewed (July 1, 2025 through December 31, 2025). To calculate national average daily volume (provided in the table below), the Exchange summed the share volume of each trade for each symbol and divided that total by the number of trading days in the same six-month period. Based on these calculations, the Exchange identified 143 non-ETF securities eligible for cash settlement of FLEX options overlying them. As noted in the proposed amendment to Rule

⁴ See Rule 900G(b)(10).

⁵ See Rule 903G(c)(3)(i).

⁶ See Rule 903G(b)(2) and (3). Similarly, pursuant to Exchange rules, Binary Return Derivatives (“ByRDS”) are also settled in cash (See Rule 900ByRDS(b)) and, as discussed below, cash settlement is also permitted in the over-the-counter (“OTC”) market.

⁷ See Rule 903G(c)(3)(ii). See also Securities Exchange Release No. 88131 (February 5, 2020), 85 FR 7806 (February 11, 2020) (SR–NYSEAMER–2019–38) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Allow Certain Flexible Equity Options To Be Cash Settled).

⁸ The Exchange acknowledges that this change will become moot as it relates to FLEX ETF Equity options if CBOE’s current rule filing proposing to amend its Rule 4.21 to, among other things, eliminate the provision limiting cash settlement as a contract term to no more than 50 ETFs. See Securities Exchange Act Release No. 105277 (April 20, 2026) (SR–CBOE–2026–35) (Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change to Amend Rule 4.21 (Series of FLEX Options)).

⁹ See proposed Rule 903G(3)(ii).

³⁵ 15 U.S.C. 78s(b)(2).

³⁶ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b–4.

903G(c)(3)(ii)(A), however, only the FLEX Equity Options overlying the non-ETF securities with the highest average daily notional value would be eligible for cash settlement. The table below identifies the 50 non-ETF FLEX Equity

Options that would qualify for cash settlement under the Exchange's most recent review, effective February 2, 2026.¹⁰ The table also includes, for each symbol, closing auction average daily volume and closing auction average

daily notional value over the same six-month period, which reflect the depth of trading activity specifically at the close and thereby illustrate each symbol's resilience to potential price manipulation at the time of settlement.

Symbol	Name	National average daily volume	Average daily notional value	Closing auction average daily volume	Closing auction average daily notional value
TSLA	Tesla, Inc	86,178,496	33,900,266,523	3,190,644	1,269,430,007
NVDA	Nvidia Corp	179,041,356	32,307,823,899	12,868,161	2,321,433,344
AAPL	Apple Inc	50,490,993	12,378,849,915	7,226,393	1,806,481,590
MSFT	Microsoft Corp	21,252,429	10,744,061,849	3,544,334	1,784,873,081
AMD	Advanced Micro Devices	53,267,301	10,373,623,850	2,493,925	488,464,603
META	Meta Platforms, Inc	14,808,166	10,257,169,282	1,446,720	1,002,367,069
AMZN	Amazon.Com Inc	43,640,268	9,944,290,596	4,938,798	1,124,263,780
PLTR	Palantir Technologies Inc	56,659,273	9,609,181,571	2,638,743	456,276,952
GOOGL	Alphabet Inc. Class A	35,705,006	8,886,422,708	3,721,259	943,979,178
AVGO	Broadcom Inc	24,847,975	8,399,788,094	3,670,925	1,240,180,161
GOOG	Alphabet Inc. Class C	22,971,782	5,726,646,457	2,445,189	626,368,731
ORCL	Oracle Corp	22,510,933	5,639,724,093	1,572,261	381,075,627
MU	Micron Technology, Inc	24,285,194	4,467,837,733	1,970,831	361,184,152
HOOD	Robinhood Markets, Inc	36,997,040	4,306,868,213	1,954,129	238,103,937
NFLX	Netflix Inc	13,214,039	4,287,659,509	1,465,607	405,513,118
MSTR	Strategy Inc	14,042,388	3,950,992,841	1,040,765	297,429,799
UNH	UnitedHealth Group Incorporated	11,961,746	3,729,620,578	826,104	262,526,732
COIN	Coinbase Global, Inc	10,231,567	3,331,720,883	614,219	197,541,974
TSM	Taiwan Semiconductor Manufacturing Company Ltd	12,008,931	3,246,781,038	752,418	203,136,969
INTC	Intel Corp	103,754,853	3,219,916,507	6,929,263	218,261,697
APP	Applovin Corporation	5,782,947	3,195,229,826	566,833	341,886,958
CRWV	CoreWeave, Inc	26,134,544	2,786,774,579	945,274	92,136,014
JPM	JPMorgan Chase & Co	8,447,294	2,563,687,629	1,612,884	491,974,304
BABA	Alibaba Group Holding Limited	15,702,967	2,330,733,305	417,707	61,037,911
BMNR	BitMine Immersion Technologies, Inc	45,742,244	2,114,623,207	1,538,644	62,322,489
V	VISA Inc	6,064,874	2,079,103,486	1,346,605	461,301,568
CRM	Salesforce, Inc	8,170,611	2,033,145,491	895,261	223,551,717
CRCL	Circle Internet Group, Inc	13,890,967	1,876,964,806	438,058	50,218,550
BAC	Bank of America Corporation	36,433,684	1,848,841,746	5,536,718	282,799,082
RGTI	Rigetti Computing, Inc	61,001,534	1,818,953,391	2,249,745	64,386,440
WMT	Walmart Inc	17,171,708	1,785,470,800	3,965,604	452,283,958
SOFI	SoFi Technologies, Inc	68,778,271	1,774,108,244	2,462,163	63,663,350
OKLO	Oklo Inc	17,056,654	1,722,406,038	636,877	63,026,808
XOM	Exxon Mobil Corporation	14,923,963	1,694,641,338	2,369,124	269,222,575
BA	Boeing Company	7,771,390	1,664,026,520	647,649	138,422,692
UBER	Uber Technologies, Inc	17,771,441	1,623,852,154	1,748,330	159,554,138
AMAT	Applied Materials Inc	7,630,690	1,590,411,121	1,239,413	264,834,901
JNJ	Johnson & Johnson	8,508,238	1,570,954,763	1,590,260	295,976,568
MRVL	Marvell Technology, Inc	19,141,701	1,534,320,570	2,125,390	172,519,290
NBIS	Nebius Group N.V	16,580,887	1,509,559,015	530,793	49,592,906
IREN	IREN Limited	35,551,466	1,465,271,072	817,801	33,589,290
QCOM	Qualcomm Inc	8,743,386	1,462,236,794	1,589,760	263,590,678
LRCX	Lam Research Corp	11,098,219	1,443,543,642	1,936,139	259,497,229
CSCO	Cisco Systems, Inc	19,993,372	1,430,793,231	3,451,961	248,085,586
PFE	Pfizer Inc	55,503,187	1,385,704,301	4,483,737	112,014,095
SMCI	Super Micro Computer, Inc	30,070,928	1,385,222,973	1,592,481	70,488,062
IBM	International Business Machines Corporation	4,915,186	1,372,464,742	715,181	200,577,771
C	Citigroup Inc	13,787,319	1,366,461,810	1,972,207	197,886,096
IONQ	IonQ, Inc	24,413,055	1,339,549,825	1,588,871	86,626,817
TXN	Texas Instruments Incorporated	7,247,390	1,314,583,022	1,350,604	244,860,485

The Exchange believes that expanding cash settlement to a select group of non-ETF options reflects changes in the

marketplace since cash settlement was first expanded to options overlying ETFs.¹¹ Specifically, in 2020, only 52

single stocks within the S&P 500 and 32 ETFs met the above-captioned criteria (*i.e.*, average daily notional value of

¹⁰ The Exchange notes that, if approved after August 3, 2026, the Exchange's list of eligible symbols may differ slightly from the table below, as a new semiannual review would be effective on that date.

¹¹ See Securities Exchange Act Release No. 88131 (February 5, 2020), 85 FR 7806 (February 11, 2020) (NYSEAMER-2019-38) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified

by Amendment No. 1, To Allow Certain Flexible Equity Options To Be Cash Settled).

\$500 Million and average daily volume of 4,680,000 shares). As of December 31, 2025, however, 143 S&P 500 single stocks meet these same criteria, evidencing that the eligible single stocks are far deeper and more liquid than the ETF universe was at the time cash settlement for them was approved.

The Exchange believes it is appropriate to introduce cash settlement as an alternative contract term to this select group of non-ETF securities because they are among the most highly liquid and actively traded securities. As described more fully below, the Exchange believes that the deep liquidity and robust trading activity (in general and at the close) in the securities identified by the Exchange as meeting the criteria mitigate historic concerns regarding susceptibility to manipulation.

Moreover, the Exchange believes that permitting cash settlement as a contract term for the FLEX non-ETF Equity Options for the securities in the above table or later found to be in the top 50 would broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options, where settlement restrictions do not apply.

Equity options are generally settled physically at The Options Clearing Corporation ("OCC"), (*i.e.*, upon exercise, shares of the underlying security must be assumed or delivered). Physical settlement entails certain risks with respect to volatility and movement of the underlying security at expiration that market participants may need to hedge against. Cash settlement may be preferable to physical delivery in some circumstances as it does not present the same risk. If an issue with the delivery of the underlying security arises, it may become more expensive and time-consuming to reverse the delivery because the price of the underlying security would almost certainly have changed. Reversing a cash payment, on the other hand, would not involve any such issue because reversing a cash delivery would simply involve the exchange of cash. Additionally, with physical settlement, market participants that have a need to generate cash would have to sell the underlying security while incurring the costs associated with liquidating their position in the underlying security as well as the risk of an adverse movement in the price of the underlying security.¹²

¹² Market participants have voiced additional concerns with physical delivery to explain why they participate in the OTC markets that allow cash settlement for equity options including, among

The Exchange notes that cash settlement for options is not a unique feature and other options exchanges have previously received approval that allow for the trading of cash-settled options¹³ and cash settled FLEX ETF Options.¹⁴

With respect to position limits, like ETF FLEX options, cash-settled FLEX non-ETF Equity Options would be subject to the position limits set forth in Rule 906G. Accordingly, the Exchange proposes to amend Rule 906G(b)(ii) to remove reference to Exchange-Traded Funds and would provide that positions for all FLEX Equity Options settled in cash pursuant to Rule 903G(c)(3)(ii) would be subject to the limits set forth in Rule 904, and the exercise limits set forth in Rule 905.¹⁵ Given that each of the underlying securities that would currently be eligible to have cash-settlement as a contract term have established position and exercise limits

other things, that certain custodians will not permit short options positions requiring physical delivery and physical settlement certain tax triggering events.

¹³ See *e.g.* PHLX FX Options traded on Nasdaq PHLX and S&P 500® Index Options traded on Cboe Options Exchange. More recently, the Commission approved, on a pilot basis, the listing and trading of RealDay™ Options on the SPDR S&P 500 Trust on the BOX Options Exchange LLC ("BOX"). See Securities Exchange Act Release No. 79936 (February 2, 2017), 82 FR 9886 (February 8, 2017) ("RealDay Pilot Program"). The RealDay Pilot Program was extended until February 2, 2019. See Securities Exchange Act Release No. 82414 (December 28, 2017), 83 FR 577 (January 4, 2018) (SR-BOX-2017-38). The RealDay Pilot Program was never implemented by BOX. See also Securities Exchange Act Release Nos. 56251 (August 14, 2007), 72 FR 46523 (August 20, 2007) (SR-Amex-2004-27) (Order approving listing of cash-settled Fixed Return Options ("FROs")); and 71957 (April 16, 2014), 79 FR 22563 (April 22, 2014) (SR-NYSEMKT-2014-06) (Order approving name change from FROs to ByRDs and re-launch of these products, with certain modifications).

¹⁴ See Securities Exchange Act Release Nos. 102839 (April 11, 2025), 90 FR 16410 (April 17, 2025) (SR-BOX-2025-07) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 5055 To Allow for Cash Settlement of Certain FLEX Equity Options); 98044 (August 2, 2023), 88 FR 53548 (August 8, 2023) (SR-CBOE-2023-036) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Allow Certain Flexible Exchange Equity Options To Be Cash Settled); and 101720 (November 22, 2024), 89 FR 94986 (November 29, 2024) (SR-ISE-2024-12) (Notice of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt Rules To List and Trade FLEX Options). See also Securities Exchange Act Release Nos. 88131 (February 5, 2020), 85 FR 7806 (February 11, 2020) (SR-NYSEAMER-2019-38) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, to Allow Certain Flexible Equity Options To Be Cash Settled); and 97231 (March 31, 2023), 88 FR 20587 (April 6, 2023) (SR-NYSEAMER-2023-22) (Notice of Filing and Immediate Effectiveness of Proposed Change to Make a Clarifying Change to the Term Settlement Style Applicable to Flexible Exchange Options).

¹⁵ See proposed Rule 906G(b)(ii).

applicable to physically-settled options, the Exchange believes it is appropriate for the same position and exercise limits to also apply to cash-settled options. Accordingly, as of December 31, 2025, of the 143 non-ETF underlying securities that would currently be eligible to have cash settlement as a contract term, all 143 (and all 50 on the above chart) would have a position limit of 250,000 contracts pursuant to Rule 904, Commentary .07(a).¹⁶

The Exchange understands that cash-settled FLEX non-ETF Equity Options are currently traded in the OTC market by a variety of market participants (*e.g.*, hedge funds, proprietary trading firms, and pension funds). The Exchange believes some of these market participants would prefer to trade these instruments on an exchange, where they would be cleared and settled through a regulated clearing agency. The Exchange expects that users of these OTC products would be among the primary users of exchange-traded cash-settled FLEX non-ETF Equity Options. The Exchange also believes that the trading of cash-settled FLEX non-ETF Equity Options would allow these same market participants to better manage the risk associated with the volatility of underlying equity positions given the enhanced liquidity that an exchange-traded product would bring.

Cash-settled FLEX non-ETF Equity Options traded on the Exchange would have three important advantages over the contracts that are traded in the OTC market. First, as a result of greater standardization of contract terms, exchange-traded contracts should develop more liquidity. Second, counter-party credit risk would be mitigated by the fact that the contracts are issued and guaranteed by the OCC. Finally, the price discovery and dissemination provided by the Exchange and its members would lead to more transparent markets. The Exchange believes that its ability to offer cash-settled FLEX non-ETF Equity Options would aid it in competing with the OTC market and, at the same time, expand the universe of products available to interested market participants. The Exchange believes that an exchange-traded alternative may provide a useful risk management and

¹⁶ Rule 904, Commentary .07(a) provides that the position limit shall be 250,000 contracts for options: (i) on an underlying security that had trading volume of at least 100,000,000 shares during the most recent six-month trading period; or (ii) on an underlying security that had trading volume of at least 75,000,000 shares during the most recent six-month trading period and has at least 300,000,000 shares currently outstanding.

trading vehicle for market participants and their customers.

The Exchange notes that cash-settled FLEX non-ETF Equity Options would not be available for trading until OCC represents to the Exchange that it is fully able to clear and settle such options.¹⁷ The Exchange has also analyzed its capacity and represents that it and The Options Price Reporting Authority (OPRA) have the necessary systems capacity to handle the additional traffic associated with the listing of cash-settled FLEX Equity Options. The Exchange believes any additional traffic that would be generated from the introduction of cash-settled FLEX non-ETF Equity Options would be manageable. The Exchange represents that ATP Holders will not have a capacity issue as a result of this proposed rule change.

The Exchange also represents that it does not believe this proposed rule change will cause fragmentation of liquidity. The Exchange will monitor the trading volume associated with the additional options series listed as a result of this proposed rule change and the effect (if any) of these additional series on market fragmentation and on the capacity of the Exchange's automated systems.

The Exchange believes it has an adequate surveillance program in place for cash-settled FLEX non-ETF equity Options and intends to apply the same program procedures that it applies to the Exchange's other options products.

FLEX option products, including non-ETF equity options, and their respective symbols are integrated into the Exchange's existing surveillance system architecture and are thus subject to the relevant surveillance processes. The Exchange believes that the existing surveillance procedures at the Exchange are capable of properly identifying unusual and/or illegal trading activity, which procedures the Exchange would utilize to surveil for aberrant trading in cash-settled FLEX non-ETF Options. As a result, the Exchange believes it would be able to effectively regulate the trading of cash-settled FLEX non-ETF Equity Options using means that include its surveillance for manipulation. The Exchange believes that manipulating the settlement price of cash-settled FLEX non-ETF Equity Options would be difficult based on the size of the market for the securities that are the subject of this proposed rule change.

With respect to regulatory scrutiny, the Exchange believes its existing

surveillance technologies and procedures adequately address potential concerns regarding possible manipulation of the settlement value at or near the close of the market. The Exchange notes that the regulatory program operated by, and overseen by NYSE Regulation,¹⁸ includes cross-market surveillance designed to identify manipulative and other improper trading, including spoofing, algorithm gaming, marking the close and open, as well as more general, abusive behavior related to front running, wash sales, quoting/routing, and Reg SHO violations, that may occur on the Exchange and other markets. These cross-market patterns incorporate relevant data from various markets beyond the Exchange and its affiliates and from markets not affiliated with the Exchange. The Exchange represents that its existing trading surveillances are adequate to monitor the trading in the underlying equity securities and subsequent trading of options on those securities on the Exchange, including cash-settled FLEX non-ETF Options.¹⁹

Additionally, for options, the Exchange utilizes an array of patterns that monitor manipulation of options, or manipulation of equity securities (regardless of venue) for the purpose of impacting options prices on the Exchange (*i.e.*, mini-manipulation strategies). That surveillance coverage is initiated once options begin trading on the Exchange. Accordingly, the Exchange believes that the cross-market surveillance performed by the Exchange or FINRA, on behalf of the Exchange, coupled with NYSE Regulation's own monitoring for violative activity on the Exchange comprise a comprehensive surveillance program that is adequate to monitor for manipulation of the underlying security and overlying option. Furthermore, the Exchange believes that the existing surveillance procedures at the Exchange are capable of properly identifying unusual and/or illegal trading activity, which the Exchange would utilize to surveil for aberrant trading in cash-settled FLEX non-ETF Options.

¹⁸ The Exchange maintains regulatory services agreements with Financial Industry Regulatory Authority, Inc. ("FINRA") whereby FINRA provides certain regulatory services to the exchanges, including cross-market surveillance, investigation, and enforcement services.

¹⁹ Such surveillance procedures generally focus on detecting securities trading subject to opening price manipulation, closing price manipulation, layering, spoofing or other unlawful activity impacting an underlying security, the option, or both. The Exchange has price movement alerts, unusual market activity and order book alerts active for all trading symbols.

In addition to the surveillance procedures and processes described above, improvements in audit trails (*i.e.*, the Consolidated Audit Trail), recordkeeping practices, and inter-exchange cooperation over the last two decades have greatly increased the Exchange's ability to detect and punish attempted manipulative activities. In addition, the Exchange is a member of the Intermarket Surveillance Group ("ISG").²⁰ The ISG members work together to coordinate surveillance and investigative information sharing in the stock and options markets. For surveillance purposes, the Exchange would therefore have access to information regarding trading activity in the pertinent underlying securities. The Exchange is confident that its existing surveillance procedures, which have proven effective with respect to FLEX ETF Options, are sufficient for the cash settlement of FLEX non-ETF Options and will monitor and adjust such procedures as needed.

Additionally, the Exchange notes that each cash-settled FLEX non-ETF Equity Option that is subject to this proposed rule change is sufficiently active so as to alleviate concerns about potential manipulative activity. Further, in the Exchange's view, the vast liquidity of the 143 underlying securities ensures a multitude of market participants at any given time. Given the high level of participation among market participants that enter quotes and/or orders in the options on these securities, the Exchange believes it would be very difficult for a single participant to alter the price of each of the underlying securities in any significant way without exposing the would-be manipulator to regulatory scrutiny. The Exchange further believes any attempt to manipulate the price of the underlying securities would also be cost prohibitive.

The Exchange does not believe that allowing cash settlement as a contract term would render the marketplace for equity options more susceptible to manipulative practices. In addition to the surveillance procedures and processes described above, improvements in audit trails, recordkeeping practices, and inter-exchange cooperation over the last two decades have greatly increased the Exchange's ability to detect and punish

²⁰ ISG is an industry organization formed in 1983 to coordinate intermarket surveillance among the SROs by cooperatively sharing regulatory information pursuant to a written agreement between the parties. The goal of the ISG's information sharing is to coordinate regulatory efforts to address potential intermarket trading abuses and manipulations.

¹⁷ It is the Exchange's understanding that the OCC intends to make rule filing to allow it to clear cash settled non-ETF equity options.

attempted manipulative activities. The Exchange therefore believes that the decision of whether or not to allow cash settlement as a contract term should rest on the ability of the Exchange to monitor and detect manipulative activity, not on any perceived threat of increased attempted manipulative activity.

The proposed rule change is designed to allow investors seeking to effect cash-settled FLEX non-ETF Equity Options with the opportunity for a different method of settling option contracts at expiration if they choose to do so. As noted above, market participants may choose cash settlement because physical settlement possesses certain risks with respect to volatility and movement of the underlying security at expiration that market participants may need to hedge against. The Exchange believes that offering innovative products flows to the benefit of the investing public. A robust and competitive market requires that exchanges respond to members' evolving needs by constantly improving their offerings. Such efforts would be stymied if exchanges were prohibited from offering innovative products for reasons that are generally debated in academic literature.

The Exchange believes that introducing cash-settled FLEX non-ETF Equity Options would further broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC markets for customized options, where settlement restrictions do not apply. The proposed rule change is also designed to encourage market makers to shift liquidity from the OTC market onto the Exchange, which, the Exchange believes, will enhance the process of price discovery conducted on the Exchange through increased order flow. The Exchange also believes that this may open up cash settled FLEX non-ETF Equity Options to more retail investors.

The Exchange also proposes to amend paragraph (c)(3)(ii)(A) of Rule 903G to provide that, where more than 50 underlying ETFs or 50 underlying non-ETFs qualify for cash settlement, the Exchange will select the 50 qualifying securities with the highest average daily notional value, replacing the current usage of highest average daily volume. The Exchange believes that, in making this determination, average daily notional value is a more appropriate metric. Specifically, it accounts for both trading activity and the price of the underlying security, which average daily volume alone does not capture.

As a general matter, higher-priced securities are less susceptible to cost-effective manipulation. Manipulative price impact is better measured by value, not share count. Thus, notional value more accurately identifies securities where potential manipulation is economically feasible and meaningful. Moreover, average daily notional value reduces the potential of a low-priced underlying equity that is potentially more susceptible to manipulation from being eligible for participating in the program.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,²¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,²² in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. In addition, the Exchange believes that the proposed rule change is consistent with the Section 6(b)(5)²³ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Specifically, the Exchange believes that introducing cash-settled FLEX non-ETF Equity Options will increase order flow to the Exchange, increase the variety of options products available for trading, and provide a valuable tool for investors to manage risk. The Exchange further believes that using average daily notional value, rather than average daily volume, in determining eligibility where more than 50 underlying equity securities qualify ensures that cash settlement eligibility is tied to a more robust and meaningful measure of market activity, thereby better protecting investors and the public interest.

The Exchange believes that the proposal to permit cash settlement as a contract term for options on the specified group of non-ETF equity securities would remove impediments to and perfect the mechanism of a free and open market as cash-settled FLEX non-ETF Equity Options would enable market participants to receive cash in lieu of shares of the underlying security,

which would, in turn, provide greater opportunities for market participants to manage risk through the use of a cash-settled product to the benefit of investors and the public interest.

The Exchange does not believe that allowing cash settlement as a contract term for options on the specified group of non-ETF equity securities would render the marketplace for equity options more susceptible to manipulative practices. As illustrated in the table above, each of the qualifying underlying securities is actively traded and highly liquid (in general and at the close) and, thus, would not be susceptible to manipulation because, over a six-month period, each security had an average daily notional value of at least \$500 Million and an ADV of at least 4,680,000 shares, which indicates that there is substantial liquidity present in the trading of these securities, and that there is significant depth and breadth of market participants providing liquidity and of investor interest.

The Exchange believes that the data provided by the Exchange supports the supposition that permitting cash settlement as a FLEX term for the 143 underlying securities that would currently qualify to have cash settlement as a contract term would broaden the base of investors that use FLEX Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options, where settlement restrictions do not apply.

The Exchange believes that the proposal to permit cash settlement would remove impediments to and perfect the mechanism of a free and open market because the proposed rule change would provide ATP Holders with enhanced methods to manage risk by receiving cash if they choose to do so instead of the underlying security. In addition, this proposal would promote just and equitable principles of trade and protect investors and the general public because cash settlement would provide investors with an additional tool to manage their risk. Further, the Exchange notes that its proposal to introduce cash-settled FLEX non-ETF Equity Options is not novel in that other exchanges have previously received approval that allow for the trading of cash-settled options. The proposed rule change therefore should not raise issues for the Commission that have not been previously addressed.²⁴

The proposed rule change to permit cash settlement as a contract term for options on the 143 underlying securities is designed to promote just and

²¹ 15 U.S.C. 78f(b).

²² 15 U.S.C. 78f(b)(5).

²³ 15 U.S.C. 78f(b)(5).

²⁴ See *supra*, Notes 13 and 14.

equitable principles of trade in that the availability of cash settlement as a contract term would give market participants an alternative to trading similar products in the OTC market. By trading a product in an exchange-traded environment (that is currently traded in the OTC market), the Exchange would be able to compete more effectively with the OTC market. The Exchange believes the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that it would lead to the migration of options currently trading in the OTC market to trading on the Exchange. Also, any migration to the Exchange from the OTC market would result in increased market transparency. Additionally, the Exchange believes the proposed rule change is designed to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest in that it should create greater trading and hedging opportunities and flexibility. The proposed rule change should also result in enhanced efficiency in initiating and closing out positions and heightened contra-party creditworthiness due to the role of OCC as issuer and guarantor of the proposed cash-settled options. Further, the proposed rule change would result in increased competition by permitting the Exchange to offer products that are currently available for trading only in the OTC market.

Finally, the Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in cash-settled FLEX non-ETF Equity Options. Regarding the proposed cash settlement, the Exchange would use the same surveillance procedures currently utilized for the Exchange's other FLEX Options. For surveillance purposes, the Exchange would have access to information regarding trading activity in the pertinent underlying securities. The Exchange believes that limiting cash settlement to options on 50 non-ETF underlying securities that would currently be eligible to have cash-settlement as a contract term would minimize the possibility of manipulation due to the robust liquidity in both the equities and options markets. Further, the Exchange believes that assessing eligibility of qualifying securities using the highest average daily notional value, rather than with the highest average daily volume, ensures that cash settlement eligibility is tied to a more robust and meaningful measure of market activity that is less susceptible to manipulation.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as all Floor Brokers and FLEX Market Makers that are authorized to trade FLEX Equity Options, including non-ETF options, in accordance with the Exchange's Rules will be able to trade cash-settled FLEX non-ETF Equity Options in the same manner. This includes that, for all FLEX Equity Options at least one of exercise style, expiration date, and exercise price must differ from options in the non-FLEX market. Additionally, positions in cash-settled FLEX non-ETF Equity Options of all ATP Holders will be subject to the same position limits, and such positions will be aggregated with positions in physically settled options on the same underlying in the same manner.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposal is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors because it is designed to provide investors seeking to transact in FLEX non-ETF Equity Options with the opportunity for an alternative method of settling their option contracts at expiration. The Exchange believes the proposed rule change will encourage competition, as it may broaden the base of investors that use FLEX Equity Options to manage their trading and investment risk, including investors that currently trade in the OTC market for customized options, where settlement restrictions do not apply. The proposed rule change would give market participants an alternative to trading similar products in the OTC market. By trading a product in an exchange-traded environment (that is currently traded in the OTC market), the Exchange would be able to compete more effectively with the OTC market. The Exchange believes the proposed rule change may increase competition as it may lead to the migration of options currently trading in the OTC market to trading on the Exchange. Also, any migration to the Exchange from the OTC market would result in increased market transparency and thus increased price competition.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. The Exchange believes the proposed rule change encourages competition amongst market participants to provide tailored cash-settled FLEX non-ETF Equity Option contracts.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEAMER-2026-54 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSEAMER-2026-54. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/>

rules/sro.shtml). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NYSEAMER–2026–54 and should be submitted on or before July 28, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵
Sherry R. Haywood,
Assistant Secretary.
[FR Doc. 2026–13650 Filed 7–6–26; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION
[Release No. 34–105830; File No. SR–NYSE–2026–32]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Connectivity Fee Schedule

July 1, 2026.
Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (“Act”) ² and Rule 19b–4 thereunder, ³ notice is hereby given that on June 18, 2026, New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared

by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Connectivity Fee Schedule to amend the list of third party data feeds to which Users can connect. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose
The Exchange proposes to amend the Connectivity Fee Schedule to amend the list of third party data feeds to which Users ⁴ can connect. Currently, Users are offered connectivity to data feeds from third party markets and other content service providers (“Third Party Data

Feeds”) at the Mahwah, New Jersey data center (“MDC”).⁵ The Exchange now proposes to amend the names of the Cboe Global Markets, Inc. Third Party Data Feeds (excluding Cboe Canada) (“Cboe Data Feeds”) and incorporate a new feed from Investors Exchange LLC (“IEX”).

The Exchange expects that the proposed rule change would become operative by August 31, 2026. The Exchange will announce the date through a customer notice.

Proposed Change to the Cboe Data Feeds

Currently, the Cboe Data Feeds are set forth in the list of Third Party Data Feeds by market. However, Users have requested that certain of the Cboe Data Feeds be broken out by asset class instead, so that if a User wanted all of the Cboe equities ⁶ data, Cboe options ⁷ data, or Cboe indices data ⁸ it would not have to sign up for connectivity to more than one Third Party Data Feed.⁹ The Exchange proposes to make the requested change and to indicate the exchanges from which data is included in the Cboe equities (“Cboe U.S. Equities”) and Cboe options (“Cboe Options”) data feeds.

The Exchange also proposes to change the name of “Cboe CFE Futures” to “Cboe Futures Exchange (CFE)” to mirror the name of Cboe Futures Exchange ¹⁰ and to reorder the Cboe Data Feeds to maintain alphabetical order.

Accordingly, the Exchange proposes to make the following changes to the Cboe Data Feeds listed under “Connectivity to Third Party Data Feeds” (proposed additions italicized, proposed deletions in brackets):

Third Party data feed		Monthly recurring connectivity fee per third party data feed
[Cboe BZX Exchange (CboeBZX) and Cboe BYX Exchange (CboeBYX)]		[\$1,500]
Cboe Canada		2,000

²⁵ 17 CFR 200.30–3(a)(12).
¹ 15 U.S.C. 78s(b)(1).
² 15 U.S.C. 78a.
³ 17 CFR 240.19b–4.
⁴ For purposes of the Exchange’s colocation services, a “User” means any market participant that requests to receive colocation services directly from the Exchange. See Securities Exchange Act Release No. 76008 (September 29, 2015), 80 FR 60190 (October 5, 2015) (SR–NYSE–2015–40). As specified in the Fee Schedule, a User that incurs colocation fees for a particular colocation service pursuant thereto would not be subject to colocation fees for the same colocation service charged by NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc. and NYSE Texas, Inc. (together, the “Affiliate SROs”). Each Affiliate SRO has submitted

substantially the same proposed rule change to propose the change described herein.
⁵ Through its Fixed Income and Data Services (“FIDS”) business, Intercontinental Exchange, Inc. (“ICE”) operates the MDC. The Exchange and the Affiliate SROs are indirect subsidiaries of ICE.
⁶ See Cboe U.S. Equities | Cboe (representing the four U.S. equities exchanges that Cboe operates as BZX Equities, BYX Equities, EDGA Equities, and EDGX Equities).
⁷ See Cboe U.S. Options | Trade Equity, Index & ETF Options | Cboe (stating that the four U.S.-listed cash equity options markets that Cboe operates are the Cboe Options Exchange, the Cboe C2 Options Exchange, Cboe BZX Options Exchange, and Cboe EDGX Options Exchange).

⁸ The Cboe indices data is set out in the Cboe Global Indices Feed. See Cboe Global Indices Feed (stating that the Cboe Global Indices Feed has more than 1,900 Index Values available).
⁹ Currently, in order to connect to all of the Cboe U.S. Equity data feeds a User would have to connect to two Third Party Data Feeds, and to connect to all of the Cboe Options data feeds a User would have to connect to three Third Party Data Feeds. In order to connect to the Cboe indices data a User currently would have to connect to one Third Party Data Feed and the proposed change would ensure that remains true.
¹⁰ See, e.g., Exchange Act Release No. 104973 (March 11, 2026), 91 FR 12631 (March 16, 2026) (SR–CFE–2026–002) (presenting the name as “Cboe Futures Exchange, LLC,” abbreviated to “CFE”).