remediate reporting errors and deter further violations.

This highly granular and accurate audit trail, combined with the Market Regulation Department's surveillance tools, allows the Market Regulation Department to perform market and trade practice surveillance of the Exchange's products, and further enables the Market Regulation Department to facilitate coordinated surveillance with any market on which any security underlying the security futures product is traded.

Clause (K) of Section 6(h)(3) of the Act [41] requires that a market on which a SFP is traded have in place procedures to coordinate trading halts between such market and any market on which any security underlying the SFP is traded and other markets on which any related security is traded. Proposed CME Rule 71101.F. provides, in accordance with CFTC Regulation § 41.25(b)(2)(i),[42] that ''[t]rading of Cash-Settled Single Stock Security Futures shall be halted at all times that a Regulatory Halt, as defined per SEC Rule 6h–1(a)(3) and CFTC Regulation § 41.1(*l*), has been instituted for the underlying security.''

Clause (L) of Section 6(h)(3) of the Act [43] requires that the margin requirements for a SFP comply with the regulations prescribed pursuant to Section 7(c)(2)(B) of the Act.[44] CME has proposed amendments to its margin rules generally imposing a minimum margin requirement of 15% of the current market value of the security futures consistent with the requirements of CFTC Regulation § 41.45(b)(1) [45] and SEC Rule 242.403(b)(1).[46 47] Thus, CME believes that its customer margin rules are consistent with the requirements of the Act.

For the reasons described above, CME believes that the listing standards submitted herewith satisfy the requirements set forth in Section 6(h)(3) of the Act.

CME also believes that its proposed rule changes are consistent with Section 6(b) of the Act,[48] in general, and further the objectives of Section 6(b)(5) of the Act,[49] in particular, in that they are designed to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

B. CME's Statement on Burden on Competition

CME does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Currently, no other exchange lists any security futures contracts for trading. The proposed rule changes will simply allow CME to list certain security futures contracts. Nothing in the filing restricts or impedes another exchange for offering security futures products for trading subject to its compliance with applicable regulatory requirements under the Exchange Act, CEA, and respective rules of the Commission and CFTC governing security futures products.

C. CME's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The foregoing proposed rule change became effective on June 29, 2026, which is the date on which CME filed this rule change with the Commission and concurrently submitted the related rule filing with the CFTC. Notwithstanding the foregoing, CME intends to implement the rule change following the receipt of all required regulatory approvals from the Commission and the CFTC. For the avoidance of doubt, CME recognizes that the listing of P.M. Settled SFPs will require exemptive relief from Rule 6h–1(b) under the Act and from CFTC Regulation 41.25(c). Within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.[50]

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 (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–CME–2026–002 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–CME–2026–002. 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 (*http://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–CME–2026–002 and should be submitted on or before July 28, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[51]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2026–13712 Filed 7–6–26; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105838; File Nos. SR–NYSEAMER–2026–59, SR–NYSEARCA–2026–75]

Self-Regulatory Organizations; NYSE American LLC and NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Changes Concerning the Single Component Concentration Limit of the MSCI Emerging Markets Index

July 1, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

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[41] 15 U.S.C. 78f(h)(3)(K).

[42] 17 CFR 41.25(b)(2).

[43] 15 U.S.C. 78f(h)(3)(L).

[44] 15 U.S.C. 78g(c)(2)(B).

[45] 17 CFR 41.45(b)(1).

[46] 17 CFR 242.403(b)(1).

[47] *See* Customer Margin Rules Relating to Security Futures, 85 FR 75112 (Nov. 24, 2020).

[48] 15 U.S.C. 78f(b).

[49] 15 U.S.C. 78f(b)(5).

[50] 15 U.S.C. 78s(b)(1).

[51] 17 CFR 200.30–3(a)(73).

(''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on July 1, 2026, NYSE American LLC (''NYSE American'') and NYSE Arca, Inc. (''NYSE Arca'') (collectively, the ''Exchanges'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule changes as described in Items I, II, and III below, which Items have been prepared by the Exchanges. This notice and order requests comment on the proposal from interested persons and approves the amended proposal on an accelerated basis.

I. Self-Regulatory Organizations' Statements of the Terms of Substance of the Proposed Rule Changes

The Exchanges propose to increase the single component concentration limit from 15% of the weight of the MSCI Emerging Markets Index (''MSCI EM Index'') to 20% to allow the continued listing and trading of options that overlie the MSCI EM Index (''EM Options''). The proposed rule changes are available on the Exchanges' websites at *www.nyse.com* and at the principal offices of the Exchanges.

II. NYSE American's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In its filing with the Commission, NYSE American included statements concerning the purpose of, and basis for, its proposed rule change and discussed any comments they received on the proposed rule changes. The text of those statements may be examined at the places specified in Item V below. NYSE American has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.[3]

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

1. Purpose

The Exchange proposes to amend the listing criteria for EM Options in Rule 901C. Specifically, the Exchange proposes to amend Commentary .05(a)(6) to Rule 901C to increase the single component concentration limit from 15% of the weight of the MSCI Emerging Markets Index (''MSCI EM Index'') to 20%.

Background

The MSCI EM Index, launched in 1988, is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.[4] The MSCI EM Index consists of large and midcap components, currently has 1,205 constituents and ''covers approximately 85% of the free float-adjusted market capitalization in each country.'' [5]

On March 10, 2026, the Exchange adopted rules to facilitate the listing of EM Options.[6] The Exchange listed and made EM Options available for trading on March 16, 2026.[7] As noted in the EM Options Notice, the MSCI EM Index is a broad-based index, as defined in Rule 900C(b)(1), for the purpose of determining which of the Exchange's rules apply to options on such indices.[8]

The Exchange created specific initial and continued listing criteria for a number of options for which an MSCI Index was the underlying, including EM Options. Specifically, Commentary .05(a) to Rule 901C (Designation of Stock Index Options) provides that the Exchange may list EM Options if each of the conditions set forth therein are satisfied. Included in the listed conditions is that ''[n]o single component security accounts for more than 15% of the weight of the index, and the five highest weighted component securities in the index do not, in the aggregate, account for more than 50% of the weight of the index.'' [9]

As set forth in Commentary .05(b) to Rule 901C, this condition, relative to all MSCI Indexes, including the MSCI EM Index, must be satisfied only as of the first day of January and July in each year, respectively. In the event a class of index options listed on the Exchange fails to satisfy the continued listing standards, including the single component weighting standard, the Exchange shall not open for trading any additional series of options of that class unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Act.[10]

Proposal

As noted above, the Exchange proposes to amend Rule 901C, Commentary .05(a)(6) to increase the single component concentration limit from 15% of the weight of the MSCI EM Index to 20%.[11] The proposed increase is necessary to address the potential delisting of EM Options and restriction on currently open positions to closing only, which would deny market participants the opportunity to hedge their investments and manage risk through the use of this index option and, therefore, such results would be to the detriment of investors and the public interest.

Specifically, EM Options is a unique product that allows investors to gain exposure to the emerging markets on a cash settled basis. Often, cash settlement is the only avenue for investors to get exposure to emerging markets. Such exposure may be obtained through an Exchange Traded Fund (''ETF'') tracking similar underlying benchmarks, however access to such ETFs is often unavailable to investors who are unable to take delivery of shares into their accounts. Cash settlement offered by EM Options is needed to obtain such exposure.

The inability to open a new series of EM Options would result in current investors being unable to roll over their positions and, as a consequence, unable to maintain their exposure to emerging markets over time. In addition, all liquidity in EM Options would essentially dry up meaning holders of the position would only be able to sell out of their position at an inferior price. Such investors will be left in the unenviable position of having to either accept an inferior or poor sales price, or hold until expiration, at which point they will be unable to maintain their exposure to the benchmark and risk violating their investment mandate.

These potential concerns are currently most evident with MSCI EM Index component security Taiwan Semiconductor MFG (''TSM''), which, on March 16, 2026, the day that EM Options were first listed on the Exchange, had a closing price of $340.23

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] For purposes of this Section II, the term ''Exchange'' refers to NYSE American.

[4] The MSCI EM Index consists currently of the following 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

[5] *See* MSCI EM Index fact sheet (dated May 29, 2026), available at *https://www.msci.com/documents/10199/10c3f32f-4565-4a92-aa1c-edf6f3a4e03f.*

[6] *See* Securities Exchange Act Release No. 104957 (March 10, 2026), 91 FR 12473 (March 13, 2026) (SR–NYSEAMER–2026–15) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Facilitate the Transfer and Trading of Options That Overlie the MSCI EAFE Index and the MSCI Emerging Markets Index) (''EM Options Notice'').

[7] *See https://www.nyse.com/trader-update/history#110000955053.*

[8] Rule 900C(b)(1) defines a broad stock index group to mean a stock index group designed to be representative of stock market values or prices of a broad segment of the stock market.

[9] *See* Rule 901C/Commentary .05(a)(6).

[10] *See* Rule 901C/Commentary .05(b)(2).

[11] The Exchange notes that its proposal is consistent with the methodology applicable to the NASDAQ–100 Index Fund, which imposes a 24% single component percentage weight limit.

and at such time, accounted for 12.55% of the weight of the index.[12] However, on May 29, 2026, TSM closed at $418.45—an approximate 23% increase. This had a corresponding impact on TSM's overall market capitalization and its percentage component weighting within the MSCI EM Index. Specifically, at the end of Q1 2026, TSM had market capitalization of approximately $1.42T, which, as of May 29, 2026, grew to $1.85T (a 30% increase). There was a similar increase on TSM's percentage weighting within MSCI EM Index, increasing from 12.55% to 14.46%, resulting in it having the highest percentage weighting within the index.[13]

The level of TSM's weighting within the MSCI EM Index is the direct result of independent natural market forces, *i.e.,* its significant share price increase, and not a design flaw within the MSCI EM Index. The recent surge in prices of shares of stocks in the semi-conductor sector may cause TSM to exceed the Rule 901C single component percentage weighting limit, when measured at its next scheduled semi-annual review. The purpose of this filing is to forestall the Exchange having to prevent the opening of additional series of EM Options for trading and thereby deprive market participants of the opportunity to manage risk through the use of EM Options.

Because of the potential harm to investors in delisting EM Options and restricting currently open positions to closing only, along with the fact that the potential for exceeding the single component percentage weighting limit would be an independent market outcome and not a design flaw with the MSCI EM Index, the Exchange believes that the proposal would allow market participants to continue to manage their risk through the use of EM Options. In addition, given the size and liquidity of TSM, the weight percentage of other components within the same sector of TSM (*i.e.,* information technology) and the design of the MSCI EM Index to transparently measure equity performance of emerging markets any concerns related to fraud or manipulation are mitigated.

The delisting of EM Options and restricting currently open positions to closing only would put investors at risk and run contrary to the public interest. As highlighted in the EM Options Notice, the Exchange believed that the listing and trading of EM Options would 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 noted that the listing and trading of EM Options would remove impediments to and perfect the mechanism of a free and open market as they would continue to provide greater opportunities for market participants to manage risk through the use of an index options product, maintain their exposure to the benchmark to the benefit of investors and the public interest.

Adopting the Exchange's proposal would not create a potential for fraud or market manipulation. As noted in the EM Options Notice, the MSCI EM Index is not easily susceptible to manipulation. It is a broad-based index with high market capitalization. As noted, the MSCI EM Index is currently comprised of 1,205 component stocks and, with the exception of TSM, none exceeding 8% of the index, with only two other component stocks exceeding 5%.

Additionally, the iShares MSCI Emerging Markets ETF, which tracks the MSCI EM Index, is an actively traded product, as are options on that ETF. Because the MSCI EM Index has a large number of component securities, is representative of many countries and trades a large volume with respect to the ETF and options on that ETF, the Exchange believes that the continued listing of EM Options is appropriate.

Finally, as noted in the EM Options Notice, the same surveillance procedures applicable to all other options currently listed and traded on the apply to EM Options and it has the necessary systems capacity to support the option series.

As further noted, the Exchange's existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior and other improper trading. In addition, the Exchange has a Regulatory Services Agreement (''RSA'') with the Financial Industry Regulatory Authority (''FINRA''). Pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.[14] The Exchange is also a member of the Intermarket Surveillance Group (''ISG'') under the ISG Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.

Given the enormous liquidity in the underlying components of the MSCI EM Index and large number of market participants trading those components, the Exchange believes that any attempt to manipulate the price of the underlying security or options overlying such security in order to affect the price of the indices would be cost prohibitive and unlikely to succeed. Moreover, the Exchange believes that its existing surveillances and procedures adequately address potential concerns regarding possible manipulation of the settlement value at or near the close of the market.

As it relates to TSM, the MSCI EM Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The weight of any single component within it, such as TSM, is the result of transparent public market activity and not discretionary choices of the index. TSM's concentration is the result of independent market activity and not a design flaw with the MSCI EM Index. The Exchange also notes that the MSCI EM Index is designed to include companies from foreign markets, which themselves are of varying size, often much smaller than the U.S. markets overall. As a result, the potential concentration risk of a single component associated with such an index can be, and in this case is, higher than for other indexes. The proposal to raise the percentage limit for a single component in this Index in particular is therefore to the benefit of investors and reasonable, as it will avoid unnecessary investor harm resulting from such market conditions, while continuing to protect against any long-term overweighting.

Moreover, given its average daily notional value and national average daily volume, TSM is resistant to manipulation. The Exchange believes that average daily notional value and national average daily volume are,

[12] The Exchange notes that the MSCI EM Index uses TSM's underlying common stock in in its calculation methodology.

[13] The increase in TSM's share price and market capitalization has continued. On June 24, 2026, TSM closed at $440.83 and had a market capitalization of $2.286T.

[14] Section 19(g)(1) of the Act, among other things, requires every SRO registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. *See* 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d–2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

collectively, an appropriate proxy for selecting underlying securities that are not readily susceptible to manipulation. Average daily notional value considers both the trading activity and the price of a 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.

As of December 31, 2025, TSM had an average daily notional value of $3,246,781,038 and national average daily volume of 12,008,931 shares. It is, therefore, substantially liquid. In addition, there is significant depth and breadth of market participants providing liquidity. As such, any concern over the potential for manipulation of the MSCI EM Index domination by TSM is significantly mitigated. The sheer size and liquidity of TSM makes manipulative scenarios implausible and cost prohibitive. The concern over potential manipulation is further mitigated by the fact that the sector in which TSM belongs (Information Technology) makes up 43% of the total sector weights of the MSCI EM Index, which should generally move in the same direction. Thus, the organic growth of TSM, which is part of a larger sector within the MSCI EM Index should not materially increase the index's vulnerability to single stock manipulation.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the ''Act''),[15] in general, and furthers the objectives of Section 6(b)(5) of the Act,[16] in particular, 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 regulating, clearing, settling, processing information with respect to, and 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.

Specifically, the Exchange believes that the proposed change is designed to remove impediments to and to perfect the mechanism for a free and open market and a national market system by facilitating the continued listing and trading of EM options. The continued listing of EM options would continue to 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, to the benefit of investors and the public interest. Moreover, the continued listing of EM options would continue to create greater trading and hedging opportunities and flexibility while providing investors with an additional tool to manage their risk, particularly where certain investors have no alternative. The proposed rule change would also continue to result in enhanced efficiency in initiating and closing out positions and heightened contra-party creditworthiness given OCC's role as issuer and guarantor of the proposed index option products.

Further, the Exchange believes that the MSCI EM Index is not easily susceptible to manipulation. The index is broad-based and its component securities have large market capitalizations. As noted, the MSCI EM Index is currently comprised of 1,205 component stocks and, with the exception of TSM, none exceeding 8% of the index, with only two other component stocks exceeding 5%. Additionally, the iShares MSCI Emerging Markets ETF, which tracks the MSCI EM Index, is an actively traded product, as are options on it. Because the index has a large number of component securities, is representative of many countries and trades a large volume with respect to the ETF and options on that ETF, the Exchange believes that the proposed continued listing and trading of EM Options is appropriate.

Finally, the Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in EM Options. The Exchange also represents that it has the necessary systems capacity to support continued listing of the options series. Additionally, as stated in the filing, the Exchange has rules in place to protect public customer trading.

B. Self-Regulatory Organizations' Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition. The Exchange believes that the proposed rule change would continue to facilitate trading of EM Options while also competing with domestic products such as EM Futures and European-traded derivatives on the MSCI EM Index, which would enhance competition among market participants, to the benefit of investors and the marketplace. The Exchange thus believes that the proposed change does not impose a burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The Exchange also believes that the proposed change would not place any undue burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as EM Options would continue to be equally available to all market participants who wish to trade such options and use such options to manage risk.

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

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

III. NYSE Arca's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In its filing with the Commission, NYSE Arca included statements concerning the purpose of, and basis for, its proposed rule change and discussed any comments it received on the proposed rule changes. The text of those statements may be examined at the places specified in Item V below. NYSE Arca has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.[17]

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

1. Purpose

The Exchange proposes to amend the listing criteria for EM Options 5.12–O. Specifically, the Exchange proposes to amend Commentary .01(a)(6) of Rule 5.12–O to increase the single component concentration limit from 15% of the weight of the MSCI Emerging Markets Index (''MSCI EM Index'') to 20%.

Background

The MSCI EM Index, launched in 1988, is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.[18] The MSCI EM

[15] 15 U.S.C. 78f(b).

[16] 15 U.S.C. 78f(b)(5).

[17] For purposes of this Section III, the term ''Exchange'' refers to NYSE Arca.

[18] The MSCI EM Index consists currently of the following 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines,

Index consists of large and midcap components, currently has 1,205 constituents and ''covers approximately 85% of the free float-adjusted market capitalization in each country.'' [19]

On February 18, 2026, the Exchange adopted rules to facilitate the listing of EM Options.[20] The Exchange listed and made EM Options available for trading on February 25, 2026.[21] As noted in the EM Options Notice, the MSCI EM Index is a broad-based index, as defined in Rule 5.10–O(b)(23), for the purpose of determining which of the Exchange's rules apply to options on such indices.[22]

The Exchange created specific initial and continued listing criteria for a number of options for which an MSCI Index was the underlying, including EM Options. Specifically, Commentary.01(a) to Rule 5.12–O (Designation of the Index Broad-Based Index Options) provides that the Exchange may list EM Options if each of the conditions set forth therein are satisfied. Included in the listed conditions is that ''[n]o single component security accounts for more than 15% of the weight of the index, and the five highest weighted component securities in the index do not, in the aggregate, account for more than 50% of the weight of the index.'' [23]

As set forth in Commentary .01(b) to Rule 5.12–O, this condition, relative to all MSCI Indexes, including the MSCI EM Index, must be satisfied only as of the first day of January and July in each year, respectively. In the event a class of index options listed on the Exchange fails to satisfy the continued listing standards, including the single component weighting standard, the Exchange shall not open for trading any additional series of options of that class unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Act.[24]

Proposal

As noted above, the Exchange proposes to amend Rule 5.12–O Commentary .01(a)(6) to increase the single component concentration limit from 15% of the weight of the MSCI EM Index to 20%.[25] The proposed increase is necessary to address the potential delisting of EM Options and restriction on currently open positions to closing only, which would deny market participants the opportunity to hedge their investments and manage risk through the use of this index option and, therefore, such results would be to the detriment of investors and the public interest.

Specifically, EM Options is a unique product that allows investors to gain exposure to the emerging markets on a cash settled basis. Often, cash settlement is the only avenue for investors to get exposure to emerging markets. Such exposure may be obtained through an Exchange Traded Fund (''ETF'') tracking similar underlying benchmarks, however access to such ETFs is often unavailable to investors who are unable to take delivery of shares into their accounts. Cash settlement offered by EM Options is needed to obtain such exposure.

The inability to open a new series of EM Options would result in current investors being unable to roll over their positions and, as a consequence, unable to maintain their exposure to emerging markets over time. In addition, all liquidity in EM Options would essentially dry up meaning holders of the position would only be able to sell out of their position at an inferior price. Such investors will be left in the unenviable position of having to either accept an inferior or poor sales price, or hold until expiration, at which point they will be unable to maintain their exposure to the benchmark and risk violating their investment mandate.

This potential concerns are currently most evident with MSCI EM Index component security Taiwan Semiconductor MFG (''TSM''), which, on February 25, 2026, the day that EM Options were first listed on the Exchange, had a closing price of $387.73 and at such time, accounted for 12.55% of the weight of the index.[26] However, on May 29, 2026, TSM closed at $418.45—an approximate 8% increase. This had a corresponding impact on TSM's overall market capitalization and its percentage component weighting within the MSCI EM Index. Specifically, at the end of Q1 2026, TSM had market capitalization of approximately $1.42T, which, as of May 29, 2026 grew to $1.85T (a 30% increase). There was a similar increase on TSM's percentage weighting within MSCI EM Index, increasing from 12.55% to 14.46% resulting in it having the highest percentage weighting within the Index.[27]

The level of TSM's weighting within the MSCI EM Index is the direct result of independent natural market forces, *i.e.,* its significant share price increase, and not a design flaw within the MSCI EM Index. The recent surge in prices of shares of stocks in the semi-conductor sector may cause TSM to exceed the Rule 5.12–O single component percentage weighting limit, when measured at its next scheduled semi-annual review. The purpose of this filing to forestall the Exchange having to prevent the opening of additional series of EM Options for trading and thereby deprive market participants of the opportunity to manage risk through the use of EM Options.

Because of the potential harm to investors in delisting EM Options and restricting currently open positions to closing only, along with the fact that the potential for exceeding the single component percentage weighting limit would be an independent market outcome and not a design flaw with the MSCI EM Index, the Exchange believes that the proposal would allow market participants to continue to manage their risk through the use of EM Options. In addition, given the size and liquidity of TSM, the weight percentage of other components within the same sector of TSM (*i.e.,* information technology) and the design of the MSCI EM Index to transparently measure equity performance of emerging markets any concerns related to fraud or manipulation are mitigated.

The delisting of EM Options and restricting currently open positions to closing only would put investors at risk and run contrary to the public interest. As highlighted in the EM Options Notice, the Exchange believed that the listing and trading of EM Options would 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 noted that

Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

[19] *See* MSCI EM Index fact sheet (dated May 29, 2026), available at *https://www.msci.com/documents/10199/10c3f32f-4565-4a92-aa1c-edf6f3a4e03f.*

[20] *See* Securities Exchange Act Release No. 104862 (February 18, 2026), 91 FR 8538 (February 23, 2026) (SR–NYSEARCA–2026–13) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change of Amendments To Facilitate the Transfer and Trading of Options That Overlie the MSCI EAFE Index and the MSCI Emerging Markets Index) (''EM Options Notice'').

[21] *See https://www.nyse.com/trader-update/history#110000954571.*

[22] Rule 5.10–O(b)(23) defines broad-based index to mean an index designed to be representative of a stock market as a whole or of a range of companies in unrelated industries.

[23] *See* Rule 5.12–O/Commentary .01(a)(6).

[24] *See* Rule 5.12–O/Commentary .01(b).

[25] The Exchange notes that its proposal is consistent with the methodology applicable to the NASDAQ–100 Index Fund, which imposes a 24% single component percentage weight limit.

[26] The Exchange notes that the MSCI EM Index uses TSM's underlying common stock in its calculation methodology.

[27] The increase in TSM's share price and market capitalization has continued. On June 24, 2026, TSM closed at $440.83 and had a market capitalization of 2.286T.

the listing and trading of EM Options would remove impediments to and perfect the mechanism of a free and open market as they would continue to provide greater opportunities for market participants to manage risk through the use of an index options product, maintain their exposure to the benchmark to the benefit of investors and the public interest.

Adopting the Exchange's proposal would not create a potential for fraud or market manipulation. As noted in the EM Options Notice, the MSCI EM Index is not easily susceptible to manipulation. It is a broad-based index with high market capitalization. As noted, the MSCI EM Index is currently comprised of 1,205 component stocks and, with the exception of TSM, none exceeding 8% of the index, with only two other component stocks exceeding 5%.

Additionally, the iShares MSCI Emerging Markets ETF, which tracks the MSCI EM Index, is an actively traded product, as are options on that ETF. Because the MSCI EM Index has a large number of component securities, is representative of many countries and trades a large volume with respect to the ETF and options on that ETF, the Exchange believes that the continued listing of EM Options is appropriate.

Finally, as noted in the EM Options Notice, the same surveillance procedures applicable to all other options currently listed and traded on the apply to EM Options and it has the necessary systems capacity to support the option series.

As further noted, the Exchange's existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior and other improper trading. In addition, the Exchange has a Regulatory Services Agreement (''RSA'') with the Financial Industry Regulatory Authority (''FINRA''). Pursuant to a multi-party 17d–2 joint plan, all options exchanges allocate regulatory responsibilities to FINRA to conduct certain options-related market surveillances.[28] The Exchange is also a member of the Intermarket Surveillance Group (''ISG'') under the ISG Agreement. ISG members work together to coordinate surveillance and investigative information sharing in the stock, options, and futures markets.

Given the enormous liquidity in the underlying components of the MSCI EM Index and large number of market participants trading those components, the Exchange believes that any attempt to manipulate the price of the underlying security or options overlying such security in order to affect the price of the indices would be cost prohibitive and unlikely to succeed. Moreover, the Exchange believes that its existing surveillances and procedures adequately address potential concerns regarding possible manipulation of the settlement value at or near the close of the market.

As it relates to TSM, the MSCI EM Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The weight of any single component within it, such as TSM, is the result of transparent public market activity and not discretionary choices of the index. TSM's concentration is the result of independent market activity and not a design flaw with the MSCI EM Index. The Exchange also notes that the MSCI EM Index is designed to include companies from foreign markets, which themselves are of varying size, often much smaller than the U.S. markets overall. As a result, the potential concentration risk of a single component associated with such an index can be, and in this case is, higher than for other indexes. The proposal to raise the percentage limit for a single component in this Index in particular is therefore to the benefit of investors and reasonable, as it will avoid unnecessary investor harm resulting from such market conditions, while continuing to protect against any long-term overweighting.

Moreover, given its average daily notional value and national average daily volume, TSM is resistant to manipulation. 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. Average daily notional value considers both the trading activity and the price of a 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.

As of December 31, 2025, TSM had an average daily notional value of $3,246,781,038 and national average daily volume of 12,008,931 shares. It is, therefore, substantially liquid. In addition, there is significant depth and breadth of market participants providing liquidity. As such, any concern over the potential for manipulation of the MSCI EM Index domination by TSM is significantly mitigated. The sheer size and liquidity of TSM makes manipulative scenarios implausible and cost prohibitive. The concern over potential manipulation is further mitigated by the fact that the sector in which TSM belongs (Information Technology) makes up 43% of the total sector weights of the MSCI EM Index, which should generally move in the same direction. Thus, the organic growth of TSM, which is part of a larger sector within the MSCI EM Index should not materially increase the index's vulnerability to single stock manipulation.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the ''Act''),[29] in general, and furthers the objectives of Section 6(b)(5) of the Act,[30] in particular, 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 regulating, clearing, settling, processing information with respect to, and 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.

Specifically, the Exchange believes that the proposed change is designed to remove impediments to and to perfect the mechanism for a free and open market and a national market system by facilitating the continued listing and trading of EM options. The continued listing of EM options would continue to 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, to the benefit of investors and the public interest. Moreover, the continued listing of EM options would continue to

[28] Section 19(g)(1) of the Act, among other things, requires every SRO registered as a national securities exchange or national securities association to comply with the Act, the rules and regulations thereunder, and the SRO's own rules, and, absent reasonable justification or excuse, enforce compliance by its members and persons associated with its members. *See* 15 U.S.C. 78q(d)(1) and 17 CFR 240.17d–2. Section 17(d)(1) of the Act allows the Commission to relieve an SRO of certain responsibilities with respect to members of the SRO who are also members of another SRO. Specifically, Section 17(d)(1) allows the Commission to relieve an SRO of its responsibilities to: (i) receive regulatory reports from such members; (ii) examine such members for compliance with the Act and the rules and regulations thereunder, and the rules of the SRO; or (iii) carry out other specified regulatory responsibilities with respect to such members.

[29] 15 U.S.C. 78f(b).

[30] 15 U.S.C. 78f(b)(5).

create greater trading and hedging opportunities and flexibility while providing investors with an additional tool to manage their risk, particularly where certain investors have no alternative. The proposed rule change would also continue to result in enhanced efficiency in initiating and closing out positions and heightened contra-party creditworthiness given OCC's role as issuer and guarantor of the proposed index option products.

Further, the Exchange believes that the MSCI EM Index is not easily susceptible to manipulation. The index is broad-based and its component securities have large market capitalizations. As noted, the MSCI EM Index is currently comprised of 1,205 component stocks and, with the exception of TSM, none exceeding 8% of the index, with only two other component stocks exceeding 5%. Additionally, the iShares MSCI Emerging Markets ETF, which tracks the MSCI EM Index, is an actively traded product, as are options on it. Because the index has a large number of component securities, is representative of many countries and trades a large volume with respect to the ETF and options on that ETF, the Exchange believes that the proposed continued listing and trading of EM Options is appropriate.

Finally, the Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in EM Options. The Exchange also represents that it has the necessary systems capacity to support continued listing of the options series. Additionally, as stated in the filing, the Exchange has rules in place to protect public customer trading.

B. Self-Regulatory Organizations' Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition. The Exchange believes that the proposed rule change would continue to facilitate trading of EM Options while also competing with domestic products such as EM Futures and European-traded derivatives on the MSCI EM Index, which would enhance competition among market participants, to the benefit of investors and the marketplace. The Exchange thus believes that the proposed change does not impose a burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intramarket Competition. The Exchange also believes that the proposed change would not place any undue burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as EM Options would continue to be equally available to all market participants who wish to trade such options and use such options to manage risk.

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

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

IV. Discussion

After careful review, the Commission finds that the proposal, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[31] In particular, the Commission believes that the proposal is consistent with the requirements of Section 6(b)(5) of the Act,[32] which requires, among other things, that the rules of a national securities exchange be designed 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.

The MSCI EM Index currently is, and after this proposed rule change will remain, a broad based index. Other broad based indices on which index options are listed on other exchanges have concentration limits that meet or exceed the Exchanges' proposed 20% limit.[33]

The proposed rule changes are necessary because one component security, TSM as discussed above, has seen its share price increase along with a number of other companies in the semiconductor sector. As a consequence, TSM may possibly exceed the current 15% limit due to its rising share price when measured at the index's next scheduled semi-annual review on July 1, 2026. By amending its rules to increase the concentration limit to a level that is not novel, the Exchanges are ensuring that investors will continue to have uninterrupted access to these index options. Further, as the Exchanges discuss in their proposal, the broad-based nature of the MSCI EM Index together with the Exchanges' regulatory oversight, should continue to help protect investors against manipulation at the higher concentration limit.

The Commission finds good cause pursuant to Section 19(b)(2) of the Act[34] for approving the amended proposal prior to the thirtieth day after its publication in the **Federal Register**. Specifically, accelerated approval will allow the Exchanges to implement this discrete change to their listing rules, which change does not raise any novel concerns or establish a novel concentration limit, without delay in order to provide investors with continued access to EM Options.

V. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule changes are 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 numbers SR–NYSEAMER–2026–59, SR–NYSEARCA–2026–75 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 numbers SR–NYSEAMER–2026–59, SR–NYSEARCA–2026–75. These file numbers 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 filings also will be available for inspection and copying at the principal office of the Exchanges. 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

[31] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[32] 15 U.S.C. 78f(b)(5).

[33] *See supra* notes 11 and 25 (citing to the NASDAQ–100 Index Fund, which imposes a 24% limit).

[34] 15 U.S.C. 78s(b)(2).

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.

[FR Doc. 2026–13654 Filed 7–6–26; 8:45 am]

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[35] 15 U.S.C. 78s(b)(2).

[36] 17 CFR 200.30–3(a)(12).

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

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[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[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).