



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104959; File No. SR-NYSEARCA-2026-25]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the NYSE Arca Equities Fees and Charges

March 10, 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 March 2, 2026, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 NYSE Arca Equities Fees and Charges (“Fee Schedule”) by adopting a cap to the credit payable under Step Up Tier 3 under the Step Up Tiers pricing table. 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 Fee Schedule by adopting a cap to the credit payable under Step Up Tier 3 under the Step Up Tiers pricing table. The Exchange proposes to implement the fee change effective March 2, 2026.

Background

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”⁴

While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.”⁵ Indeed, equity trading is currently dispersed across 17 exchanges,⁶ numerous alternative trading

⁴ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. S7-10-04) (Final Rule) (“Regulation NMS”).

⁵ See Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7-02-10) (Concept Release on Equity Market Structure).

⁶ See Cboe U.S Equities Market Volume Summary, available at https://markets.cboe.com/us/equities/market_share. See generally <https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html>.

systems,⁷ and broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly available information, no single exchange currently has more than 20% market share.⁸ Therefore, no exchange possesses significant pricing power in the execution of equity order flow. More specifically, the Exchange currently has less than 15% market share of executed volume of equities trading.⁹

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products. While it is not possible to know a firm's reason for shifting order flow, the Exchange believes that one such reason is because of fee changes at any of the registered exchanges or non-exchange venues to which a firm routes order flow. Accordingly, competitive forces constrain exchange transaction fees and credits because market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

Proposed Rule Change

Currently, under the Step Up Tiers pricing table in Section VII. Tier Rates - Round Lots and Odd Lots (Per Share Price \$1.00 or Above) of the Fee Schedule, the Exchange provides credits to ETP Holders who submit orders that provide displayed liquidity on the Exchange. The Exchange currently has multiple levels of credits for orders that provide displayed liquidity that are based on the amount of volume of such orders that ETP Holders send to the Exchange.

Given the competitive environment in which the Exchange operates, the Exchange has established multiple Step Up Tiers, which are designed to encourage ETP Holders that provide displayed liquidity on the Exchange to increase that order flow, which would benefit all ETP

⁷ See FINRA ATS Transparency Data, *available at* <https://otctransparency.finra.org/otctransparency/AtsIssueData>. A list of alternative trading systems registered with the Commission is *available at* <https://www.sec.gov/foia/docs/atstlist.htm>.

⁸ See Cboe Global Markets U.S. Equities Market Volume Summary, *available at* http://markets.cboe.com/us/equities/market_share/.

⁹ See id.

Holders by providing greater execution opportunities on the Exchange. In order to provide an incentive for ETP Holders to direct providing displayed order flow to the Exchange, the credits increase in the current tiers based on increased levels of volume directed to the Exchange.

Currently, the following credits are available to ETP Holders that provide increased levels of displayed liquidity on the Exchange:

| <i>Tier</i> | <i>Credit for Adding Displayed Liquidity</i> |
|----------------|---|
| Step Up Tier 2 | \$0.0033 (Tapes A and C) \$0.0034 (Tape B) |
| Step Up Tier 3 | \$0.0031 (Tapes A, B and C) |

ETP Holders that currently qualify for Step Up Tier 2 do not receive any additional incremental Tape B Tier credits for adding displayed liquidity, including any additional credits associated with Less Active ETP Securities and are currently capped at \$0.0033 per share in Tape A and Tape C securities and \$0.0034 per share in Tape B securities. However, ETP Holders that are registered as a Lead Market Maker (LMM) may receive up to a combined Step Up Tier 2 credit of \$0.0036 per share on all its adding volume in Tape B securities if the ETP Holder, together with its affiliates,¹⁰ executes Tape B adding ADV that is at least 40% over the ETP Holder's adding ADV in Q3 2019, as a percentage of Tape B CADV.

With this proposed rule change, the Exchange proposes to extend the current cap to the Step Up Tier 3 credit in Tape B securities. Accordingly, ETP Holders that qualify for Step Up Tier 2 or Step Up Tier 3 shall not receive additional Tape B Tier credits for adding displayed liquidity, including any additional credits associated with Less Active Securities.

With this proposed rule change, ETP Holders that currently qualify for Step Up Tier 2 that are registered as a LMM would continue to receive up to a combined Step Up Tier 2 credit of \$0.0036 per share on all its adding volume in Tape B securities if the ETP Holder, together with its affiliates, executes Tape B adding ADV that is at least 40% over the ETP Holder's

¹⁰ The term "affiliate" means any ETP Holder under 75% common ownership or control of that ETP Holder. See Fee Schedule, NYSE Arca Marketplace: General, Section II. Aggregate Billing of Affiliated ETP Holders.

adding ADV in Q3 2019, as a percentage of Tape B CADV.

The Exchange proposes to amend current footnote (b) in the Step Up Tiers pricing table to reflect the extension of the proposed cap to ETP Holders that qualify for Step Up Tier 3. The Exchange proposes to further amend the text of footnote (b) to clarify that ETP Holders that are currently eligible to receive the combined credit of \$0.0036 per share would continue to be eligible for such enhanced credit.

The purpose of the proposed rule change is to continue to incentivize order flow providers to send liquidity-providing orders to the Exchange while capping the level of credit that such participants would receive under the current Step Up Tier 3. The Exchange believes that, although it is proposing to limit the financial incentive for orders that provide displayed liquidity in Tape B securities, the current rebate payable under Step Up Tier 3, i.e., \$0.0031 per share, is among one of the highest credits paid by the Exchange and should continue to serve as an incentive for ETP Holders to direct displayed liquidity providing orders to the Exchange.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,¹² in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

As discussed above, the Exchange operates in a highly fragmented and competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient, and the Exchange represents only a small percentage of the overall market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(4) and (5).

prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”¹³

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow, or discontinue or reduce use of certain categories of products, in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces reasonably constrain exchange transaction fees and credits that relate to orders that would provide and remove liquidity on an exchange. Stated otherwise, changes to exchange transaction fees and credits can have a direct effect on the ability of an exchange to compete for order flow.

The Exchange believes the proposed rule change to adopt a cap on the credit applicable to the Step Up Tier 3 credit in Tape B securities is reasonable because the current credit, which is among the highest paid by the Exchange should continue to incentivize ETP Holders to participate on the Exchange and execute a greater number of orders in Tape B securities on the Exchange. The Exchange believes the current level of credit payable under the Step Up Tier 3 pricing tier should continue to encourage ETP Holders to submit additional liquidity to a national securities exchange. Submission of additional liquidity to the Exchange would promote price discovery and transparency and enhance order execution opportunities for ETP Holders from the substantial amounts of liquidity present on the Exchange. All ETP Holders would benefit from the greater amounts of liquidity that will be present on the Exchange, which would provide greater execution opportunities.

¹³ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

The Exchange notes that volume-based incentives and discounts have been widely adopted by exchanges, including the Exchange, and are reasonable, equitable and not unfairly discriminatory because they are available to all ETP Holders on an equal basis. Additionally, the Exchange is one of many venues and off-exchange venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. Competing exchanges offer similar tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based on members achieving certain volume thresholds.

The Exchange believes its proposal equitably allocates its fees and credits among its market participants.

The Exchange believes the proposed amendment to adopt a cap under Step Up Tier 3 equitably allocates its fees and credits among market participants. The Exchange believes the level of the credit currently payable under Step Up Tier 3, which is among the highest paid by the Exchange, should continue to incentivize ETP Holders to participate on the Exchange and execute their orders in Tape B securities. The Exchange believes the current level of credit payable under Step Up Tier 3 should continue to encourage ETP Holders to send orders that add liquidity to the Exchange, thereby contributing to robust levels of liquidity for the benefit all market participants.

The Exchange believes the proposed rule change would thereby encourage the submission of additional orders to a national securities exchange, thus promoting price discovery and transparency and enhancing order execution opportunities for ETP Holders from the substantial amounts of liquidity present on the Exchange, which would benefit all market participants on the Exchange. ETP Holders that currently qualify for credits associated with Step Up pricing tiers on the Exchange will continue to receive credits when they provide liquidity to the Exchange. The Exchange believes that recalibrating the requirements for providing liquidity will continue to attract order flow and liquidity to the Exchange for the benefit of investors generally.

The Exchange believes that the proposal is not unfairly discriminatory.

The Exchange believes it is not unfairly discriminatory to cap the current level of credit payable under Step Up Tier 3 for providing displayed liquidity in Tape B securities because the proposed cap would be applied on an equal basis to all ETP Holders, who would all be subject to the proposed change on an equal basis. Additionally, the proposal neither targets nor will it have a disparate impact on any particular category of market participant. The proposal does not permit unfair discrimination because the proposed change would be applied to all ETP Holders, who would all be subject to the proposed cap on an equal basis. Accordingly, no ETP Holder already operating on the Exchange would be disadvantaged by this allocation of fees. In the prevailing competitive environment, ETP Holders are free to disfavor the Exchange's pricing if they believe that alternatives offer them better value. The submission of orders to the Exchange is optional for ETP Holders in that they could choose whether to submit orders to the Exchange and, if they do, the extent of its activity in this regard.

For the reasons discussed above, the Exchange submits that the proposal satisfies the requirements of Sections 6(b)(4) and 6(b)(5) of the Act¹⁴ in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities and is not designed to unfairly discriminate between customers, issuers, brokers, or dealers. As described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces.

For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,¹⁵ the Exchange believes that the proposed

¹⁴ 15 U.S.C. 78f(b)(4) and (5).

¹⁵ 15 U.S.C. 78f(b)(8).

rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for ETP Holders. As a result, the Exchange believes that the proposed change furthers the Commission’s goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes “more efficient pricing of individual stocks for all types of orders, large and small.”¹⁶

Intramarket Competition. The Exchange believes the proposed amendments to its Fee Schedule would not 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 change represents a significant departure from previous pricing offered by the Exchange or its competitors. The Exchange believes that the proposed adoption of a cap for the credit payable under Step Up Tier 3, which continues to be among the highest credits that ETP Holders can qualify for, would continue to incentivize market participants to direct liquidity adding order flow to the Exchange, bringing with it additional execution opportunities for market participants and improved price transparency. Greater overall order flow, trading opportunities, and pricing transparency benefits all market participants on the Exchange by enhancing market quality and continuing to encourage ETP Holders to send orders in Tape B securities, thereby contributing towards a robust and well-balanced market ecosystem.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. As noted above, the Exchange’s market share of intraday trading (i.e., excluding auctions) is currently

¹⁶ See Securities Exchange Act Release No. 51808, 70 FR 37495, 37498-99 (June 29, 2005) (S7-10-04) (Final Rule).

less than 15%. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with off-exchange venues. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange does not believe its proposed fee change imposes any burden on intermarket competition.

The Exchange believes that the proposed changes could promote competition between the Exchange and other execution venues, including those that currently offer similar order types and comparable transaction pricing, by encouraging additional orders to be sent to the Exchange for execution.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,¹⁷ and Rule 19b-4(f)(2) thereunder¹⁸ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁸ 17 CFR 240.19b-4.

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-NYSEARCA-2026-25 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-NYSEARCA-2026-25. 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-NYSEARCA-2026-25 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

¹⁹ 17 CFR 200.30-3(a)(12).

Sherry R. Haywood,

Assistant Secretary.

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