



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105547; File No. SR-NYSEAMER-2026-42]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change to Amend Rule 928NYP

May 22, 2026.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on May 19, 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 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 Rule 928NYP to provide its American Trading Permit (“ATP”) Holders with additional flexibility in establishing how their trading activity counts toward certain risk parameters. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 Rule 928NYP (Pre-Trade and Activity -Based Risk Controls). Specifically, the Exchange proposes to adopt Commentary .03 to provide an Entering Firm<sup>4</sup> with additional flexibility in establishing how their trading activity counts toward certain risk parameters.

Background and Proposed Rule Change

The Exchange offers a suite of configurable risk controls on its Pillar trading platform to its members.<sup>5</sup> As part of these controls, the Exchange offers Activity-based Controls for the Options Market that are mandatory for Market Makers and optional for all other Entering Firms.

The risk control features are intended to be supplemental to the Exchange member's internal monitoring and procedures related to risk management and are not designed to be a member's sole means of risk control. The controls are configurable and under the direct control and supervision of the firm. The use of risk controls will not automatically constitute compliance with any Exchange or federal rules for which it is the member's sole responsibility to comply.

Activity-Based Risk Controls provides Entering Firms with the ability to manage their order and execution risk. The controls refer to activity-based risk limits that may be applied to orders and quotes in an options class (excluding those represented in open outcry, except "clear-the-book" (CTB) orders) based on the following specified thresholds measured over the course of an interval:<sup>6</sup> (i) number of orders and quotes that can be executed ("transaction"); (ii) number

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<sup>4</sup> "Entering Firm" means an ATP Holder (including those acting as Market Makers). See Rule 928NYP(a)(1).

<sup>5</sup> Pillar is the NYSE's integrated trading technology platform which enables member firms to connect to all NYSE equities and options markets using a standard protocol.

<sup>6</sup> The Exchange will specify by Trader Update the interval for Activity-Based Risk Controls, which will not be less than 100 milliseconds and will not be greater than 300,000 milliseconds. See Rule 928NYP(c)(2)(F).

of contracts that can be executed (“volume”); and (iii) the percentage of contracts executed as measured against the full size of orders and quotes executed (“percentage”).<sup>7</sup>

To determine when an Activity-Based Risk Control has been breached, the Exchange will maintain a trade counter that will be incremented every time an order or quote trades and will aggregate the number of contracts traded during each such execution.<sup>8</sup> When designating one of the three Activity-Based Risk Controls, the Entering Firm must indicate which of the following actions it wishes the Exchange to take if a risk limit is breached: (i) notification only (the Exchange will continue to accept new order and quote messages and related instructions and will not cancel any unexecuted orders or quotes); (ii) block only (the Exchange will reject new orders and related instructions, except instructions to cancel one or more orders or quotes; or (iii) cancel and block (in addition to block, above, the Exchange will cancel all unexecuted orders and quotes in the Consolidated Book other than Auction-Only Orders, and orders designated GTC).<sup>9</sup>

The Exchange proposes to amend Rule 928NYP to enhance the Activity-Based Risk Controls to provide Entering Firms flexibility in establishing how their trading activity counts toward the risk limits. Specifically, the Exchange would add Commentary .03 to allow an Entering Firm the option to count its limit on a contra-party (i.e., Customer,<sup>10</sup> Professional

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<sup>7</sup> See Rule 928NYP(a)(3). Per Rule 928NYP(c)(2)(A), an Entering Firm acting as a Market Maker is required to apply one of the Activity-Based Risk Controls to all of its orders and quotes. An Entering Firm that is not acting as a Market Maker may, but is not required to, apply one of the Activity-Based Risk Controls to its orders.

<sup>8</sup> See Rule 928NYP(c)(2)(B).

<sup>9</sup> See Rule 928NYP(c)(2)(C).

<sup>10</sup> “Customer” means an individual or organization that is not a Broker/Dealer. See Rule 900.2NY (Definitions).

Customer,<sup>11</sup> Broker,<sup>12</sup> Market Maker,<sup>13</sup> Away Market Maker<sup>14</sup> or Firm<sup>15</sup>) basis. Under the proposed change, for the activity-based risk limits established under Rule 928NYP(a)(3), an Entering Firm may specify a weight (up to 200%) based on contra-party capacity to count towards the Entering Firm's Transaction, Volume and Percentage limits. For instance, an Entering Firm could specify that only 50% of the quantity on each trade with a Customer contra-party would be used towards the Entering Firm's activity-based risk limit.<sup>16</sup>

The proposed rule change is based on recently amended CBOE Rule 5.34(c),<sup>17</sup> which permits its Users to specify a percentage of up to 100% and MIAX Pearl Rule 517A and 517B which permits the use of a multiplier with a minimum value of 0 and maximum value of 10 in its members calculating their Allowable Engagement Percentage.<sup>18</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>19</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>20</sup> in that it is

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<sup>11</sup> The term "Professional Customer" means an individual or organization that (i) is not a Broker/Dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). See Rule 900.2NY (Definitions).

<sup>12</sup> The term "broker" means the same as set out in Section 3(a)(4) of the Securities Exchange Act of 1934. See Rule 900.2NY (Definitions). Per Section 3(a)(4) of the Exchange Act, "[t]he term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

<sup>13</sup> The term "Market Maker" refers to an ATP Holder that acts as a Market Maker pursuant to Rule 920NY. See Rule 900.2NY (Definitions).

<sup>14</sup> The term "Away Market" means any Trading Center (1) with which the Exchange maintains an electronic linkage, and (2) that provides instantaneous responses to orders routed from the Exchange. See Rule 900.2NY (Definitions).

<sup>15</sup> The term "Firm" means a broker-dealer that is not registered as a dealer-specialist or market maker on a registered national securities exchange or association. See Rule 900.2NY (Definitions).

<sup>16</sup> Similarly, an Entering Firm could specify a weight of up to 200% for each counterparty class.

<sup>17</sup> See Securities Exchange Act Release No. 104674 (January 23, 2026), 91 FR 3763 (January 28, 2026) (SR-CBOE-2026-006) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 5.34(c) With Respect to Its Risk Monitor Mechanism, To Provide Users With Additional Flexibility in Establishing How Their Trading Activity Counts Towards Certain Risk Parameters).

<sup>18</sup> See Securities Exchange Act Release 104299 (December 3, 2025) 90 FR 56809 (December 8, 2025) (SR-PEARL-2025-47) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 517A, Aggregate Risk Manager for EEMs ("ARM-E"), and Rule 517B, Aggregate Risk Manager for Market Makers ("ARM-M")).

<sup>19</sup> 15 U.S.C. 78f(b).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

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)<sup>21</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that allowing Entering Firms to tailor their risk parameters promotes risk management processes that better reflect the risks of different types of trading activity. The Exchange believes that the proposed rule change will protect investors and the public interest because the proposed enhancement will assist Entering Firms in minimizing their risk exposure, thereby reducing the potential for disruptive, market-wide events.

The Exchange further believes its proposal to allow Entering Firms to establish risk parameters on a contra-party capacity basis is reasonable, as different contra-party types present different risk profiles. For example, this enhancement may be beneficial for Market-Makers or other liquidity providers who may wish to establish lower limits for when providing liquidity to Customer orders while establishing stricter parameters for trades against other institutional contra-parties which may involve different risk considerations. The Exchange believes allowing Entering Firms the option to adjust their risk tolerance based on contra-party capacity provides the opportunity for a more precise risk management approach.

Finally, the Exchange believes the proposed change is not unfairly discriminatory, as the proposed enhancement is available to all Entering Firms and apply uniformly to all Entering Firms who may choose to utilize the enhanced risk parameter settings. As noted above, use of the

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<sup>21</sup> 15 U.S.C. 78f(b)(5).

proposed enhancement is optional and Entering Firms are free to utilize them or not, at their discretion.

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 proposed enhancement is available to all Entering Firms and applies uniformly to all Entering Firms who may choose to utilize the enhanced risk parameter settings. As noted above, use of the proposed enhancement is optional and Entering Firms are free to utilize them or not, at their discretion.

Similarly, 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 because the proposed enhancement applies only to trading on the Exchange. Again, the Exchange notes that it is voluntary for the Entering Firms to determine whether to make use of the new enhancement of the Activity-Based Risk Controls. To the extent that the proposed changes may make the Exchange a more attractive trading venue for market participants on other exchanges, such market participants may elect to become an Exchange market participant.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>22</sup> and Rule 19b-4(f)(6) thereunder.<sup>23</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant

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<sup>22</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>23</sup> 17 CFR 240.19b-4(f)(6).

burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.<sup>24</sup>

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>25</sup> of the Act to determine whether the proposed rule change should be approved or 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](mailto:rule-comments@sec.gov). Please include file number SR-NYSEAMER-2026-42 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.

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<sup>24</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>25</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-NYSEAMER-2026-42. 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-2026-42 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.<sup>26</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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