

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–105532; File No. SR–NYSEARCA–2026–53]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Temporary Rule 7.34–E(T) To Provide for an Overnight Trading Session and To Amend the Hours for the Exchange’s Early Trading Session and the Late Trading Session, and To Make Corresponding Changes to Other Rules

May 21, 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 12, 2026, NYSE Arca, Inc. (“NYSE Arca” 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 temporary Rule 7.34–E(T) (“Trading Sessions”) to provide for an Overnight Trading Session and to amend the hours for the Exchange’s Early Trading Session and the Late Trading Session, and to make corresponding changes to other rules. 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 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

NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) proposes to amend temporary Rule 7.34–E(T) (“Trading Sessions”) to provide for an Overnight Trading Session and to amend the hours for the Exchange’s Early Trading Session and the Late Trading Session, and to make corresponding changes to other rules.

On February 11, 2025, the Securities and Exchange Commission (“Commission”) approved the Exchange’s proposal to adopt temporary Rule 7.34–E(T) to lengthen its trading hours for NMS stocks to 1:30 a.m. Eastern Time through 11:30 p.m. Eastern Time on Monday through Thursday, and 1:30 a.m. Eastern Time through 8:00 p.m. Eastern Time on Friday (“Extended Hours Trading”).<sup>4</sup> As part of that proposal, among other things, the Exchange amended current Rule 7.34–E (Trading Sessions) to include a preamble providing that the current version of Rule 7.34–E would remain operative until Extended Hours Trading as set out in Rule 7.34–E(T) is operative, and that the Exchange would not commence operating pursuant to the hours set out in Rule 7.34–E(T) unless the Equity Data Plans<sup>5</sup> “(1) have established a mechanism to collect, consolidate, process and disseminate quotation and transaction information at all times during Extended Hours Trading that is equivalent to the mechanism established for the Core Trading Session, and (2) have provided the Exchange with notification that they are prepared to collect, consolidate, process and disseminate quotation and transaction information to accommodate Extended Hours Trading.” The preamble to current Rule 7.34–E further provides that when such conditions are met, the Exchange will file a proposed rule change pursuant to Section 19(b) of the Exchange Act and the rules thereunder before commencing Extended Hours Trading as described in Rule 7.34–E(T).

Following the Commission’s approval of the Original Filing, the Exchange has continued to discuss plans for Extended Hours Trading with domestic and international market participants and has determined to refine its approach. The Exchange now proposes to amend

Rule 7.34–E(T) to provide that the Exchange would operate from 9:00 p.m. Eastern Time Sunday to 8:00 p.m. Eastern Time Friday, with a pause in trading from 8:00 p.m. Eastern Time on Monday through Thursday for an hour to accommodate technical refreshes for the Exchange, the Processors, and other market participants (“23/5 Trading”).

To facilitate 23/5 Trading, the Exchange proposes to make the following changes to its rules.

#### Proposed Changes to Rule 7.34–E(T)(a)

Specifically, to facilitate 23/5 Trading, the Exchange proposes to add a definition for a fourth trading session—the “Overnight Trading Session”—and to amend the definitions of “Early Trading Session” and “Late Trading Session” in Rule 7.34–E(T)(a).

In Rule 7.34–E(T)(a)(1), the Exchange proposes to add a definition for “Overnight Trading Session” and to renumber the remaining provisions of Rule 7.34–E(T)(a) accordingly. The first sentence of the definition would provide that “The Overnight Trading Session will begin at 9:00 p.m. Eastern Time on Sunday through Thursday and conclude at the commencement of the next calendar day’s Early Trading Session.”

In addition, proposed Rule 7.34–E(T)(a)(1) would also provide that the “Exchange will begin accepting orders for all of that trading day’s trading sessions at 8:59 p.m. Eastern Time, one minute before the Overnight Trading Session begins”—not 30 minutes before trading opens, as the current version of the temporary rule provides.<sup>6</sup> Under 23/5 Trading, the Exchange’s systems would undergo a technical refresh during the one-hour pause in trading from 8:00 p.m. Eastern Time on Monday through Thursday and would not be available to accept orders at 8:30 p.m. Eastern Time, but would be available to begin accepting orders for all of the trading day’s sessions at 8:59 p.m. Eastern Time before the session starts at 9:00 p.m. Eastern Time. Proposed Rule 7.34–E(T)(a)(1) would specify that the “Overnight Trading Session will begin with continuous trading,” not an opening auction.

The Exchange proposes to move the current text of Rule 7.34–E(T)(a)(1), concerning the Early Trading Session, to subparagraph (a)(2). The Exchange proposes to amend the first sentence to provide that the “Early Trading Session will begin at 4:00 a.m. Eastern Time and conclude at the commencement of the

<sup>4</sup> See Securities Exchange Act Release No. 102400 (February 11, 2025), 90 FR 9794 (February 18, 2025) (SR–NYSEARCA–2024–89) (“Original Filing”).

<sup>5</sup> “Equity Data Plans” is defined in Rule 1.1 (Definitions).

<sup>6</sup> See current Rule 7.34–E(T)(a)(1), providing that “The Exchange will begin accepting orders 30 minutes before the Early Trading Session begins.”

<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.

Core Trading Session.” The Exchange also proposes to remove the second sentence, which provides that the Exchange “will begin accepting orders 30 minutes before the Early Trading Session begins,” as inconsistent with the proposed revision to subparagraph (a)(1) specifying that the Exchange will begin accepting orders for all of the trading day’s trading sessions at 8:59 p.m. Eastern Time.

The Exchange proposes to move the current text of Rule 7.34–E(T)(a)(2), concerning the Core Trading Session, to subparagraph (a)(3). The Exchange proposes no other changes to that provision.

The Exchange proposes to move the current text of Rule 7.34–E(T)(a)(3), concerning the Late Trading Session, to subparagraph (a)(4). The Exchange proposes to amend that provision to specify that the “Late Trading Session will begin following the conclusion of the Core Trading Session and conclude at 8:00 p.m. Eastern Time,” and to delete the remainder of the current text.

The Exchange also proposes to add subparagraph (a)(5) of Rule 7.34–E(T), titled “Note about Holidays,” which would provide: “If the Exchange is closed for a holiday falling between Monday and Friday, the Exchange will conclude its Late Trading Session the evening before the holiday and will commence the next Overnight Trading Session at 9:00 p.m. Eastern Time on the evening of the holiday.”

Proposed Changes to Rules 7.31–E and 7.34–E(T)(c)

Rule 7.31–E (“Orders and Modifiers”) defines the Exchange’s order types and their applicability during the Exchange’s various trading sessions. To facilitate 23/5 Trading, the Exchange proposes to amend the text pertaining to certain order types to specify the treatment of such order types in the Overnight Trading Session.

First, the Exchange proposes to amend Rule 7.31–E(a)(2)(B)(ii) to specify that Limit Order Price Protection, which currently applies to the Early and Late Trading Sessions, would also apply to the Overnight Trading Session.

Second, the Exchange proposes to amend Rule 7.31–E(h)(3) to provide that Discretionary Pegged Orders, which are currently rejected if they are designated for the Early or Late Trading Sessions, would also be rejected if designated for the Overnight Trading Session.

Third, the Exchange proposes to amend Rule 7.31–E(j)(2) to provide that Market Makers may enter Q orders in securities in which they are registered during the Overnight Trading Session, in addition to during the Early and Late

Trading Sessions as the rule currently provides.

In addition, Rule 7.34–E(T)(c) describes the order types permitted in each trading session. The Exchange proposes to add new rule text to Rule 7.34–E(T)(c) concerning the orders types permitted in the Overnight Trading Session. The Exchange proposes to add to Rule 7.34–E(T)(c)(1) a description of the order types permitted in the Overnight Trading Session, and to renumber the remaining provisions of Rule 7.34–E(T)(c) accordingly. The proposed text of Rule 7.34–E(T)(c)(1) concerning order types in the Overnight Trading Session is based on current Rule 7.34–E(T)(c)(1) concerning the Exchange’s Early Trading Session, as well as Rule 7.34(c)(1) of the Exchange’s affiliate NYSE National, Inc. (“NYSE National”), which pertains to the order types permitted in that exchange’s Early Trading Session, which, like the Exchange’s Overnight Trading Session, operates without auctions. As such, the proposed changes are not novel.

Specifically, proposed Rule 7.34–E(T)(c)(1)(A) would provide that Market Orders and Pegged Orders are not eligible to participate in the Overnight Trading Session; that Market Orders and Pegged Orders that include a designation for the Overnight Trading Session would be rejected; and that Market Pegged Orders and Discretionary Pegged Orders, regardless of the session designated for the order, may not be entered before or during the Overnight Trading Session and will be rejected. This proposed rule text is based on the current text of Rule 7.34–E(T)(c)(1)(A) concerning the Exchange’s Early Trading Session, without alteration except for replacing “Early Trading Session” with “Overnight Trading Session.”

Proposed Rule 7.34–E(T)(c)(1)(B) would provide that Limit Orders designated IOC will be accepted if entered during the Overnight Trading Session, and will be rejected if designated for execution in any trading session other than the Overnight Trading Session. This proposed rule text is based on the current text of Rule 7.34–E(T)(c)(1)(B) and (C), which permit the entry of Limit Orders designated IOC only during the session in which they will execute.

Proposed Rule 7.34–E(T)(c)(1)(C) would provide that for securities not eligible for an auction on the Exchange, Market Orders designated for the Core Trading Session and Auction-Only Orders will be routed to the primary listing market on arrival. It would further provide that any order routed directly to the primary listing market on

arrival will be cancelled if that market is not accepting orders. This proposed rule text is based on the current text of Rule 7.34–E(T)(c)(1)(D) concerning the Exchange’s Early Trading Session, without alteration.

Proposed Rule 7.34–E(T)(c)(1)(D) would provide that MOO Orders, MOC Orders, LOC Orders, Primary Only Orders, and Directed Orders designated for the Overnight Trading Session will be rejected. This proposed rule text is based on the current text of Rule 7.34–E(T)(c)(1)(E) concerning the Exchange’s Early Trading Session, without alteration except for replacing “Early Trading Session” with “Overnight Trading Session.”

Proposed Rule 7.34–E(T)(c)(1)(E) would provide that Non-Displayed Limit Orders, MPL Orders, Tracking Orders, and RPI Orders entered before the Overnight Trading Session will be rejected. This proposed rule text is based on the text of NYSE National Rule 7.34(1)(F) concerning the Early Trading Session, without alteration except for replacing “Early Trading Session” with “Overnight Trading Session.”

The Exchange proposes to move the current text of Rule 7.34–E(T)(c)(1), concerning order types permitted in the Early Trading Session, to subparagraph (c)(2). The Exchange proposes no other changes to that provision.

The Exchange proposes to move the current text of Rule 7.34–E(T)(c)(2), concerning order types permitted in the Core Trading Session, to subparagraph (c)(3). The Exchange proposes no other changes to that provision.

The Exchange proposes to move the current text of Rule 7.34–E(T)(c)(3), concerning order types permitted in the Late Trading Session, to subparagraph (c)(4). The Exchange proposes no other changes to that provision.

Proposed Change to Rule 7.10–E

The Exchange proposes to amend Rule 7.10–E (“Clearly Erroneous Executions”) to specify the portions of the rule that would apply during the Overnight Trading Session. Specifically, the proposed changes specify that under Rule 7.10–E(c)(2), clearly erroneous review will be available to review transactions occurring during the Overnight Trading Session on the same basis as currently applies to the Early and Late Trading Sessions. There are no substantive differences between the applicability of Rule 7.10–E proposed for the Overnight Trading Session and the current applicability of the rule to the Early and Late Trading Sessions.

## Proposed Change to Rule 7.19–E

To support 23/5 Trading, the Exchange will offer Entering Firms a new risk control under Rule 7.19–E (“Pre-Trade Risk Controls”) that would prohibit orders from executing during the Overnight Trading Session. The Exchange plans to offer this new risk check as one of the Single Order Risk Controls available to Entering Firms under Rule 7.19–E(b)(2)(C), which permits the Exchange to offer Entering Firms “controls related to the order types or modifiers that can be utilized.” Under that rule authority, the Exchange currently allows Entering Firms to prohibit orders from executing in each of the Exchange’s three current trading sessions, and this change would permit them to do the same for the Overnight Trading Session. Because this risk control falls within the existing rule authority, no rule change is required for the Exchange to offer this risk check to Entering Firms.

The Exchange proposes to also permit Clearing Firms to prohibit orders from executing during the Overnight Trading Session, when a Clearing Firm has been designated by an Entering Firm to enact pre-trade risk controls on the Entering Firm’s behalf. Specifically, the Exchange proposes to amend Rule 7.19–E(c)(1) to add a new subparagraph (c)(1)(C), which would permit Clearing Firms designated by an Entering Firm to prohibit orders from executing during the Overnight Trading Session. Rule 7.19–E(c) does not currently enable Clearing Firms to prohibit orders from executing during particular trading sessions, so the Clearing Firm’s ability to prohibit orders from executing during the Overnight Trading Session would be a new feature of the rule.

## Other Forthcoming Changes

The Exchange is coordinating with the other equities markets about additional proposed rule changes in support of 23/5 Trading, including (1) Regulatory Halts for certain corporate actions (Rule 7.18–E) and (2) the resumption of trading after a Level 3 Market-Wide Circuit Breaker Halt (Rule 7.12–E). The Exchange will propose changes regarding those rules in forthcoming rule filings.

## Implementation

As set out above and in the preamble to Rule 7.34–E, when the Equity Data Plans have notified the Exchange that they have made the required functional changes and are ready to begin processing 23/5 Trading, the Exchange will file another rule change with the

Commission before activating 23/5 Trading.

The preamble currently provides that such rule change must be made “within 18 months of the SEC’s approval of the Exchange’s rule filing adopting Rule 7.34–E(T)” —namely, by August 11, 2026. In light of the industry’s plan to launch Extended Hours Trading on December 6, 2026, the Exchange proposes to amend the preamble to replace “18 months” with “24 months, which the Exchange expects to do in line with the industry’s projected readiness date for Extended Hours Trading of December 6, 2026.” This is a non-substantive change and simply extends the time for the Exchange to launch Extended Hours Trading to be in line with the industry’s launch plans.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>7</sup> in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

*Proposed Changes to Rule 7.34–E(T)(a).* The Exchange believes that the proposed amendment would remove impediments to and perfect the mechanism of a free and open market and a national market system by providing a rules framework to support 23/5 Trading, which the Exchange believes will increase market accessibility, promote capital formation, and facilitate portfolio management.

As in the Original Filing, the Exchange believes that making this change in temporary Rule 7.34–E(T) would promote transparency in Exchange rules and add clarity as to which rules are operative and when, thereby reducing potential confusion and making the Exchange’s rules easier to navigate. The preamble to the current version of Rule 7.34–E would not be changed, and would continue to provide that the Exchange will not commence operation of the longer Extended Trading Hours prior to filing a proposed rule change to amend its rules confirming that the Exchange is able to comply with its obligations under the Act during the longer extended trading sessions and that the Equity Data Plans are prepared to collect, consolidate,

process, and disseminate quotations and transaction information at all times during the proposed Extended Hours Trading.

Also as in the Original Filing, the Exchange believes that applying the current requirements for extended hours trading—such as order designation, permitted orders, and mandatory customer disclosures, as well as the operational and regulatory safeguards already in place for the current Early, Core, and Late Sessions—to 23/5 Trading would promote just and equitable principles of trade and protect investors and the public interest. The Exchange’s representations in the Original Filing with respect to operations, order designation, permitted orders, market surveillance, and customer disclosures apply equally to the 23/5 Trading proposal in this filing, namely:

- *Operations.* The proposed Overnight Trading Session will operate in the same way as the current sessions from an operational perspective. All order types eligible for such sessions and order type behaviors will remain unchanged. The Exchange will route to away markets during the proposed Overnight Trading Session just as it currently does during the current Early and Late Trading Sessions. Order processing during the proposed Overnight Trading Session will function the same way it does in the current sessions, with no changes to the ranking, display, or decrementation processes or rules.

- *SIP Processing.* The Exchange will submit all quotes and trades that are generated in the Overnight Trading Session to the consolidated quote and trade systems maintained by the System Information Processors (SIPs) for public dissemination. Once the Overnight Trading Session is operative, quotes and trades will be made available to the investing public in the same manner that quotes and trades are currently made available for other trading sessions. Trades executed and reported during the Overnight Trading Session will be reported to the appropriate network processor with the “.T” modifier, as is currently the case for all trades executed outside of the Core Trading Session.

- *Corporate Actions.* The Exchange will work with primary listing exchanges to coordinate trading halts where appropriate, including halts implemented due to significant material events (*i.e.*, a bankruptcy declaration). During the proposed Overnight Trading Session, the Exchange will pause trading in the underlying security until trading resumes on the primary listing

<sup>7</sup> 15 U.S.C. 78f(b)(5).

market for the security. Generally, regardless of trading session, when a halt has been declared on the primary market, the Exchange will also halt trading automatically in the subject security on NYSE Arca. Exchange staff will be available during the Overnight Trading Session in order to maintain a fair and orderly market, make any necessary rulings, or take any action that may be necessary. Similarly, Exchange staff will be available if any action such as declaration of a halt in a NYSE Arca primary symbol would be necessary in the event of a system malfunction or significant material event such as a bankruptcy declaration.

- *Market Surveillance.* The Exchange's current regulatory program will be fully applicable to trading in the proposed Overnight Trading Session.

- *Customer Disclosures.* The enhanced customer disclosures in Rule 7.34–E(T)(d) regarding the potential risks associated with trading during Extended Hours Trading will apply to the Overnight Trading Session.

The Exchange believes that its proposal to begin accepting orders before the Overnight Trading Session at 8:59 p.m. Eastern Time (instead of 30 minutes before the session begins, as the current version of Rule 7.34–E(T)(a) provides) would remove impediments to and perfect the mechanism of a free and open market and a national market system. Under 23/5 Trading, trading will not be available during the one-hour pause starting at 8:00 p.m. Eastern Time on Monday through Thursday, during which time the Exchange's systems will perform end-of-day functions, undergo a technical refresh, restart, and prepare for the commencement of trading at 9:00 p.m. Eastern Time. The Exchange's systems would not be available to accept orders 30 minutes before the Overnight Trading Session begins, as the rule currently provides, since the Exchange's systems will be undergoing their refresh and restart processes around that time. Instead, the Exchange believes that it would 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 for the Exchange to begin accepting orders for the Overnight Trading Session one minute before it starts, which would accommodate the Exchange's system reset while still permitting market participants to place orders before the session begins.<sup>8</sup>

The Exchange believes that its proposal to commence trading in the Overnight Trading Session at 9:00 p.m. Eastern Time with continuous trading, and to retain the Early Opening Auction to open the Early Trading Session at 4:00 a.m. Eastern Time, would remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange's affiliate NYSE National operates without auctions and starts its Early Trading Session with continuous trading, so the practice is not novel. Given the initial expectation of thinner liquidity at 9:00 p.m. Eastern Time, the Exchange believes it is reasonable to open the Overnight Trading Session with continuous order matching. In addition, the Exchange believes it is in the public interest to retain its 4:00 a.m. Early Opening Auction, to minimize any disruption to the Early Trading Session and to enable market participants that currently utilize that auction to continue to do so even after the Overnight Trading Session is launched.

*Proposed Changes to Rules 7.34(T)–E(c) and 7.31–E.* The Exchange believes that its proposed changes to Rules 7.34(T)–E(c)(c) and 7.31–E would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest by specifying the order types available in the Overnight Trading Session. The proposed text of Rule 7.34–E(T)(c)(1) concerning order types in the Overnight Trading Session, is based on current Rule 7.34–E(T)(c)(1) concerning the Exchange's Early Trading Session, as well as NYSE National Rule 7.34(c)(1), which pertains to the order types permitted in that exchange's Early Trading Session, which, like the Exchange's Overnight Trading Session, operates without

and requirements. For instance, Nasdaq plans to start accepting orders at 9:00 p.m. Eastern Time, when their systems open for trading, with no advance opportunity for market participants to submit and queue orders, while Cboe has proposed that its EDGX exchange would start accepting orders at 8:55 p.m. Eastern Time. *See Securities Exchange Act Release Nos. 105199 n. 82 (April 10, 2026), 91 FR 20222 (April 15, 2026) (SR–NASDAQ–2025–109) (“[T]he Exchange will begin accepting orders for the Night Session at 9:00 p.m. ET . . .”); 105206 (April 10, 2026), 91 FR 20213 (April 15, 2026) (SR–CboeEDGX–2026–19) (proposed Rule 11.25(a)(2) provides that EDGX will begin accepting orders at the Order Acceptance Queuing Time of 8:55 p.m. Eastern Time). The Exchange's proposal to start accepting orders at 8:59 p.m. Eastern Time is thus within the range proposed by its competitor exchanges and is reasonable. The Exchange also notes that when it starts accepting orders at 8:59 p.m. Eastern Time, it will accept orders for all trading sessions that day, not just the Overnight Trading Session. *See* proposed Rule 7.34–E(T)(a)(1).*

auctions. As such, the proposed changes are not novel.

*Proposed Changes to Rule 7.10–E.* The Exchange believes that its proposed changes to Rule 7.10–E would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest by clarifying the applicability of the Exchange's Clearly Erroneous Rule to the Overnight Trading Session. That rule would operate in the same way as it applies to the Exchange's Early and Late Trading Sessions, and therefore is not novel.

*Proposed Changes to Rule 7.19–E.* The Exchange believes that its proposed changes to Rule 7.19–E(c) would remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors and the public interest by permitting an Entering Firm to exercise a pre-trade risk control prohibiting orders from executing in the Overnight Trading Session, and permitting an Entering Firm to give permission for its Clearing Firm to similarly prohibit orders from executing during the Overnight Trading Session. Although the current version of the rule does not permit Clearing Firms to set risk controls that prohibit orders from executing during particular sessions, the Exchange believes that, in light of the potential risks associated with Extended Hours Trading, investor protection and the public interest are enhanced by permitting Clearing Firms so-designated by Entering Firms to prohibit orders from executing during the Overnight Trading Session.

#### *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 change is designed to add the Overnight Trading Session and to amend the hours for the Exchange's Early Trading Session and the Late Trading Session, and to make corresponding changes to other rules to provide for 23/5 Trading. The Exchange operates in a highly competitive environment in which unaffiliated exchange competitors and new entrants could compete to offer extended hours trading of similar duration, and the proposal would therefore enable the Exchange to compete on a more level playing field with these competitors.

<sup>8</sup> The various exchanges that plan to adopt 23/5 Trading have taken different approaches to this issue, based upon their own system architecture

*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>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant 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.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>11</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>12</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

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>13</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-NYSEARCA-2026-53 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-2026-53. 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-2026-53 and should be submitted on or before June 17, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-105537; File No. SR-OCC-2026-003]**

**Self-Regulatory Organizations; the Options Clearing Corporation; Order Approving Proposed Rule Change by the Options Clearing Corporation Concerning Amendments to OCC's STANS Methodology Description To Enable OCC To Accept Binary Options for Clearing and Appropriately Manage the Risk Created by Binary Options**

May 21, 2026.

**I. Introduction**

On April 8, 2026, the Options Clearing Corporation ("OCC"), filed

with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend OCC's System for Theoretical Analysis and Numerical Simulation ("STANS") Methodology Description to enable OCC to accept binary options for clearing and appropriately manage the risk created by binary options (hereinafter "Proposed Rule Change"). The Proposed Rule Change was published for comment in the **Federal Register** on April 15, 2026.<sup>3</sup> For the reasons discussed below, the Commission is approving the Proposed Rule Change.

**II. Background**

OCC is a central counterparty ("CCP"), which means that, as part of its function as a clearing agency, it interposes itself as the buyer to every seller and seller to every buyer for certain financial transactions. As the CCP for the listed options markets in the United States,<sup>4</sup> as well as for certain futures and stock loans, OCC is exposed to various risks arising from providing clearance and settlement services to its Clearing Members.<sup>5</sup> Because OCC is obligated to perform on the contracts it clears, one such risk that OCC is exposed to is credit risk, including the risk that OCC would not maintain sufficient financial resources to cover exposures if one of its Clearing Members defaults. OCC manages such credit risk, in part, through financial safeguards, including the collection of margin collateral.

OCC previously cleared binary options and maintains rules addressing such products.<sup>6</sup> However, OCC's margin methodology does not currently include a mechanism for calculating margin requirements for binary options. OCC

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Exchange Act Release No. 105208 (Apr. 10, 2026), 91 FR 20192 (Apr. 15, 2026) (File No. SR-OCC-2026-003) ("Notice"). The Commission received one comment expressing the general view that there is no interest in the product, but the comment raises no concerns or objections with the substance of the proposal. The comment on the Proposed Rule Change is available at <https://www.sec.gov/rules-regulations/public-comments/sr-occ-2026-003>.

<sup>4</sup> OCC describes itself as "the sole clearing agency for standardized equity options listed on national securities exchanges registered with the Commission." See Notice, 91 FR at 20193.

<sup>5</sup> Capitalized terms used but not defined herein have the meanings specified in OCC's Rules and By-Laws, available at <https://www.theocc.com/company-information/documents-and-archives/by-laws-and-rules>.

<sup>6</sup> See OCC Rules Chapter XV, available at <https://www.theocc.com/company-information/documents-and-archives/by-laws-and-rules>.

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>14</sup> 17 CFR 200.30-3(a)(12).