

5. *Title and purpose of information collection:* Report of Stock Options and Other Payments; OMB 3220–0203.

The Railroad Retirement Board (RRB) is directed by 45 U.S.C. 231f(c)(2) to establish a financial interchange (FI) between the railroad retirement and social security systems to place the Social Security Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds and the Centers for Medicare and Medicaid Services (CMS) Hospital Insurance (HI) Trust Fund in the same condition they would have been had railroad employment been covered by the Social Security Act and Federal Insurance Contributions Act (FICA). Each year, the RRB estimates the benefits and expenses that would have been paid by these trust

funds, as well as the payroll taxes and income taxes that would have been received by them. To make these estimates, the RRB requires information on all earnings data that are not taxable under the Railroad Retirement Tax Act (RRTA) but would be taxable under FICA.

The payroll information collected from the BA–15 is essential for the calculation of payroll taxes and benefits used by the FI. Failure to collect NQSOs and ratification payment information will result in understating the payroll taxes that should have been collected and the benefit amounts that would have been payable under the Social Security Act for FI purposes. Accurate compensation file tabulations are also an integral part of the data needed to

estimate future tax revenues and corresponding FI amounts. Without information on NQSOs and ratification payments, the amount of funds to be transferred between the RRB, SSA and CMS cannot be determined.

Form BA–15, Report of Stock Options and Other Payments, to request employer information and report identifying information as well as each employee's social security number, name, and compensation information, which will be reported annually in a quarterly breakdown. The RRB receives Form BA–15 by secure Email, File Transfer Protocol (FTP), or via CD–ROM. The RRB proposes no changes to Form BA–15.

ESTIMATE OF ANNUAL RESPONDENT BURDEN

Form No.	Annual responses	Time (minutes)	Burden (hours)
BA–15 (by secure E-mail, FTP, or CD–ROM)—Positive	10	300	50
BA–15 (by secure E-mail, FTP, or CD–ROM)—Negative	590	15	148
Total	600		198

Additional Information or Comments:

To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material or comments regarding the information collection should be addressed to Brian Foster, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–1275 or emailed to Brian.Foster@rrb.gov. Written comments should be received within 60 days of this notice.

Brian Foster,

Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–106731; File No. SR–FINRA–2026–022]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend FINRA Rules To Address Binary Options, Options Whose Payout Is Based on Specified Metrics, and Options Cleared by a Registered Clearing Agency Other Than The Options Clearing Corporation

October 26, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b–4 thereunder, ² notice is hereby given that on October 22, 2026, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b–4 under the Act, ³ which renders the proposal effective upon

receipt of this filing by the Commission. 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

FINRA is proposing to amend FINRA Rules 2220, 2351, 2357, 2360, and 4210 to address binary options, options whose payout is based on specified metrics, and options cleared by a registered clearing agency other than The Options Clearing Corporation.

The text of the proposed rule change is available on FINRA's website at <http://www.finra.org> and at the principal office of FINRA.

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

In its filing with the Commission, FINRA 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 these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 17 CFR 240.19b–4(f)(6).

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

1. Purpose

Background

Multiple national securities exchanges have filed proposals with the Commission to list and trade new types of binary options whose exercise settlement amount is established at the creation of the option and whose payout is based on the value of an issuer's reported financial or operating metrics ("binary metric options"), some of which may be cleared by a registered clearing agency other than The Options Clearing Corporation ("OCC"), and the Commission has approved at least one such proposal.⁴ While the specific proposals vary in some respects, these proposals collectively reflect a new category of exchange-listed options product: cash-settled, European-style binary options whose payouts are determined solely by whether an issuer's reported financial or operating metric (or other specified condition), such as quarterly revenue, earnings per share, or another metric disclosed in the issuer's SEC filings, meets or exceeds a defined threshold at expiration. These products generally have an exercise settlement amount of \$1, meaning that at expiration each contract pays either \$1 or \$0 depending on whether the underlying metric has met or exceeded the specified threshold.

Binary metric options differ from most historically listed options products by referencing an underlying metric rather than a security or an index of securities, and in some cases by clearing through a registered clearing agency other than OCC.⁵ The applicable trading mechanics of each binary metric option are governed by the rules of the

exchange on which the contracts are listed.

FINRA Rule 2360 (Options) sets forth a number of requirements for FINRA members specific to options activity, including, among other things, requirements relating to position limits, large options position reporting ("LOPR"), delivery of disclosure documents, confirmations, transactions with issuers, account statements, account opening, recordkeeping, suitability, and supervision. Additionally, FINRA Rule 2220 (Options Communications) sets forth options-specific communications requirements and FINRA Rule 4210 (Margin Requirements) includes margin requirements specific to options. FINRA intends that the rules apply to all listed options products, including binary options, options on metrics, and options cleared through any registered clearing agency.⁶

FINRA is therefore proposing amendments to Rules 2220, 2360, and 4210 to clarify the application of existing options requirements to binary options, options on metrics, and options cleared through a registered clearing agency other than OCC, which would include the new binary metric options products discussed above. As described in further detail below, the proposed rule change would accomplish this goal by updating the definitional framework under Rule 2360 to, among other clarifying changes, add new terms for binary options, registered clearing agencies, and underlying metrics; clarify the application of position limit and LOPR requirements in Rule 2360 to binary options and options on metrics; amend the disclosure document delivery requirement in Rule 2360 to include options issued by a registered clearing agency other than OCC; update provisions throughout Rules 2220, 2357, 2360, and 4210 to refer to registered clearing agencies generally rather than specifically to OCC, as appropriate; update provisions throughout Rules 2220 and 2360 to incorporate references to "metric;" and update Rules 2351 and 2360 to make other needed changes, including updating cross-references, making stylistic changes, and minor corrections to existing provisions.

The proposed changes are collectively designed to clarify the application of

existing options requirements to binary options, options on metrics, and options cleared by any registered clearing agency, such that the rules apply to such options—including binary metric options—in a manner that is substantially comparable to other listed options products.

Proposed Amendments to Rule 2360

Rule 2360 establishes a comprehensive regulatory framework governing members' options trading activity. Rule 2360(a) sets forth a number of definitions for terms used in Rule 2360, including to distinguish between standardized options (*i.e.*, listed options) and conventional options, (*i.e.*, over-the-counter or "OTC" options). Rule 2360(b) clarifies the applicability of Rule 2360 and sets forth provisions regarding positions and exercise limits, LOPR requirements, delivery of disclosure documents, confirmations, transactions with issuers, account statements, account openings, recordkeeping, suitability, and supervision. Rule 2360(c) sets forth requirements for the portfolio margining disclosure statement and acknowledgement, and Supplementary Material .01 through .03 to Rule 2360 provide illustrative examples of position limit requirements, further explanation regarding the delta hedging exemption control relationship, and clarification regarding position limits for exchange-traded funds. The proposed changes to Rule 2360 are described in greater detail below.

Definitions

FINRA is proposing changes to Rule 2360(a) to include three new defined terms. First, FINRA proposes to add a new defined term, "Registered Clearing Agency," meaning a clearing agency registered with the Commission pursuant to Section 17A of the Exchange Act.⁷ This proposed definition is necessary to enable FINRA's options rules to apply to listed options regardless of which SEC-registered clearing agency issues or guarantees the contracts. FINRA is making several changes throughout Rule 2360 to replace references to OCC with Registered Clearing Agency.

Second, FINRA proposes to add a new defined term, "binary option," meaning a cash-settled option contract having an exercise settlement amount that is established at the creation of the option and where the option holder is entitled to the exercise settlement amount only if the settlement value of the binary option overlying a security, index, or

⁴ See, e.g., Securities Exchange Act Release No. 106659 (October 13, 2026), 91 FR 65854 (October 16, 2026) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of File No. SR-CBOE-2026-061) ("Cboe Binary KPI Options Approval Order"); Securities Exchange Act Release No. 106182 (August 24, 2026), 91 FR 55384 (August 27, 2026) (Notice of Filing of File No. SR-MEMX-2026-25); Securities Exchange Act Release No. 106370 (September 15, 2026), 91 FR 59199 (September 18, 2026) (Notice of Filing of File No. SR-NYSEARCA-2026-93); Securities Exchange Act Release No. 106367 (September 15, 2026), 91 FR 59217 (September 18, 2026) (Notice of Filing of File No. SR-NYSEAMER-2026-82); SR-MRX-2026-41 (filed October 2, 2026).

⁵ Exchanges may use varying terminology in describing their specific products. For the purposes of FINRA rules, FINRA refers to all underlying metrics as "metrics" and the products as "binary metric options."

⁶ Historically, listed options have settled based on the price of an individual security or security index and clear through OCC; as a result, FINRA rules generally refer to options with these existing structures and clearing arrangement. Additionally, although certain types of binary options are already listed and traded on exchanges, some FINRA rules also do not clearly contemplate binary option structures.

⁷ 15 U.S.C. 78q-1(a).

metric, at expiration, (1) equals or is greater than the exercise price for a call binary option, or (2) is less than the exercise price for a put binary option. The proposed definition would further provide that the applicable trading mechanics for such contracts are governed by the rules of the exchange on which they are listed. This proposed definition is intended to broadly encompass a variety of binary options structures.⁸

Third, FINRA proposes to add a new defined term, “underlying metric,” meaning a metric underlying an option, including any financial or operating metric or condition on which an option’s payout is based. This proposed definition would complement the existing definitions of “underlying security” and “underlying index.”

In addition to these newly defined terms, FINRA proposes to consolidate and replace the existing definitions of “standardized equity option” and “standardized index option,” with a single, unified definition of “standardized option” that encompasses any options contract issued, or subject to issuance, by a Registered Clearing Agency that is not a FLEX Option and not an OCC Cleared OTC Option. The consolidated definition identifies standardized equity options, standardized index options, and standardized metric options as examples of standardized options. This proposed consolidation preserves the existing treatment of standardized equity options and standardized index options while ensuring standardized binary options listed on national securities exchanges and issued or guaranteed by a Registered Clearing Agency are subject to the same treatment. Conforming changes would be made throughout Rule 2360 to reflect this new consolidated term.

FINRA also proposes conforming and clarifying amendments to various other definitions set forth in Rule 2360(a). First, FINRA proposes to amend the definitions of “call,” “put,” “class of options,” and “series of options” to add “metric” alongside “security” and “index,” so that these terms explicitly include options overlying a metric. Corresponding conforming amendments are proposed to the definitions of “exercise price,” “expiration date,” “FLEX Equity Option” (to be renamed as “FLEX Option” as described below), “clearing member,” “conventional

option,” “conventional index option,” “covered,” “OCC Cleared OTC Option,” “options trading,” and “underlying security.”⁹

Second, FINRA proposes conforming and clarifying amendments to the definitions of “clearing member,” “conventional index option,” “conventional option,” “covered,” “expiration date,” “FLEX Equity Option” (to be renamed as “FLEX Option” as described below), “options trading,” and “underlying security” to replace references to OCC with references to a Registered Clearing Agency. The definitions of “call” and “put” would also be amended to remove unnecessary and duplicative language specifically referencing OCC.

Third, FINRA proposes conforming and clarifying amendments to the definition of “exercise price” to explicitly reference cash-settled options, including binary options and options on metrics. For cash-settled options, the proposed rule change would define “exercise price” as the price or value (measured in the applicable units (*e.g.*, amount of currency, percentage, or number)) to which the settlement value of the underlying index, security, or metric is compared to determine whether the holder is entitled to receive a dollar amount, which may be a fixed exercise settlement amount in the case of a binary option.

Finally, FINRA proposes to make other simplifying and clarifying changes to the definitions in Rule 2360(a), including to revise the defined term “FLEX Equity Option” to refer to “FLEX Option,” redesignate paragraph numbers to reflect new and consolidated definitions, and update cross-references.

Applicability

Rule 2360(b)(1) clarifies the applicability of Rule 2360. Rule 2360(b)(1) provides, among other things, that paragraphs (b)(3) through (12) of Rule 2360 apply only to standardized and conventional options on common stock. FINRA proposes to amend that provision to clarify that such limitation applies except as otherwise provided in those subparagraphs. The proposed rule change is intended to ensure that provisions within paragraphs (b)(3) through (12) that are expressly tailored to index options or binary options, such as the proposed binary options position limit and LOPR provisions discussed further below, are not limited by the

general applicability language in Rule 2360(b)(1).

Position Limits

Rule 2360(b)(3) establishes position limits for options. FINRA is not proposing substantive changes to the existing provisions governing position limits for standardized equity options, standardized index options, conventional options, and FLEX Options. FINRA proposes to add a new paragraph (b)(3)(D) to Rule 2360 specifically addressing binary options position limits. Under this proposed provision, except in highly unusual circumstances and with FINRA’s prior written approval pursuant to the Rule 9600 Series for good cause shown, no member shall effect for any account in which such member has an interest, or for the account of any partner, officer, director or employee thereof, or for the account of any customer, an opening transaction in any class of binary option if the member has reason to believe that, as a result of such transaction, the member, partner, officer, director, employee, or customer, would, acting alone or in concert with others, directly or indirectly, hold or control or be obligated in respect of an aggregate position in excess of the position limits established by the exchange on which the binary option trades. This proposed provision parallels the existing position limits provision applicable to standardized equity options. Thus, the proposed rule change is intended to apply substantially comparable position limit requirements to positions in binary options, consistent with FINRA’s approach to position limits for other listed options products.

FINRA also proposes conforming changes to Rule 2360(b)(6) (Liquidation of Positions and Restrictions on Access) to add references to options overlying a metric. The proposed rule change would clarify that FINRA’s existing authority relating to positions that exceed applicable position limits applies to options overlying a metric in the same manner as it applies to options overlying a security or index.

Reporting of Options Positions

Rule 2360(b)(5) sets forth requirements for reporting options positions, generally referred to as the “LOPR requirements.” Existing provisions refer to an underlying “security or index” and require a member that conducts a business in standardized options (but that is not a member of the listing exchange) to file position reports with FINRA when a reportable position threshold is reached, *i.e.*, an aggregate position of 200 or more

⁸ The proposed definition of “binary option” is derived from the definitions proposed in the exchange filings referenced in note 4, *supra*, and is drafted broadly to accommodate the various structures and terminologies used across those proposals.

⁹ Where appropriate, certain definitions have also been revised to ensure consistent reference to all three terms: “security,” “index,” and “metric.”

options contracts on the same side of the market.¹⁰ FINRA proposes to add an explicit reference to “metric” so that the reporting obligation clearly extends to options on metrics.

Additionally, exchanges have proposed reporting and aggregation conventions for the treatment of binary metric options contracts for purposes of options position reporting requirements that may differ from the conventions for other listed options.¹¹ FINRA therefore proposes to amend its rules to require a member to determine its aggregate position for standardized options in accordance with the contract equivalency conventions established by the exchange on which such standardized options are listed. FINRA believes the proposed rule change would promote consistency for market participants.

Delivery of Disclosure Documents

Rule 2360(b)(11)(A)(i) requires each member to deliver OCC’s current Options Disclosure Document (“ODD”) to each customer at or prior to the time such customer’s account is approved for trading options issued by OCC, other than an OCC Cleared OTC Option. Thereafter, a copy of each amendment to the ODD must be distributed to each customer to whom the member previously delivered the ODD not later than the time a confirmation of a transaction in the category of options to which the amendment pertains is delivered to such customer. FINRA proposes to amend Rule 2360(b)(11)(A)(i), which currently requires delivery of OCC’s disclosure document to customers approved for trading OCC-issued options. Under the proposed rule change, members would instead be required to deliver the current disclosure document of the applicable Registered Clearing Agency to customers approved for trading options issued by that Registered Clearing Agency, other than OCC Cleared OTC Options. The proposed rule change would also require delivery of amendments to such disclosure documents in a manner substantially consistent with the existing requirements applicable to OCC disclosure documents.

FINRA also proposes conforming changes to Rule 2360(b)(16)(D) (Account

Agreement) to reflect the delivery of disclosure documents issued by any Registered Clearing Agency and to require customers engaging in transactions in options issued by such Registered Clearing Agency to acknowledge receipt of the applicable disclosure document and agreement to be bound by the rules of the applicable Registered Clearing Agency.

The proposed rule change is intended to preserve the existing customer disclosure framework regardless of which Registered Clearing Agency issues or guarantees the contracts. These changes would ensure that members remain subject to substantially comparable disclosure obligations and customers receive substantially comparable disclosures regarding the characteristics and risks of standardized options.

Confirmations

FINRA Rule 2360(b)(12) requires members to provide customers with written confirmations containing specified information regarding options transactions, including the underlying security or index. FINRA proposes to amend Rule 2360(b)(12) to add a reference to an underlying “metric.” The proposed rule change clarifies the application of the existing confirmation requirements to options on metrics by requiring confirmations to identify the underlying metric, as applicable, thus ensuring that customers receive comparable information for options on metrics as they receive for other listed options products.

Transactions With Issuers

Rule 2360(b)(13) provides that no member shall enter a transaction for the sale (writing) of a call option contract for the account of any corporation which is the issuer of the underlying security thereof. FINRA proposes to amend Rule 2360(b)(13) to also encompass a corporation that is the subject of the underlying metric, thereby clarifying the rule’s application to options on metrics. FINRA believes the proposed change is appropriate to clarify that options on metrics are covered by the prohibition on selling call options for the account of an issuer given the substantially similar potential conflicts of interest that may be present for such transactions.

Other Amendments to Rule 2360

FINRA proposes conforming amendments throughout Rule 2360(b) to replace OCC-specific references with references to a Registered Clearing Agency in provisions governing rights and obligations of holders and writers

(paragraph (b)(9)), confirmations (paragraph (b)(12)), account agreements (paragraph (b)(16)(D)), violation of rules (paragraph (b)(21)), and stock transfer tax (paragraph (b)(22)).

Finally, FINRA proposes conforming and stylistic amendments to various provisions of Rule 2360 and its Supplementary Material to renumber paragraphs to reflect amended provisions, update cross-references, appropriately refer to newly defined or amended defined terms, and make various stylistic changes.

Proposed Amendments to Rule 2220

Rule 2220 governs members’ communications with the public concerning options, including provisions specific to standardized options. The existing definition of “standardized option” in Rule 2220(a)(2) refers to issuance by OCC and to the terms of the option including the amount of the underlying security. The proposed rule change would amend the definition to replace the reference to OCC with a reference to a Registered Clearing Agency, as defined in Rule 2360(a), and to add “index or metric” to the list of standardized terms alongside “underlying security.” This proposed change would clarify that the options communications requirements applicable to standardized options apply to options on metrics.

Proposed Amendments to Rules 2351 and 2357

The FINRA Rule 2350 Series establishes specific requirements for trading in index warrants, currency index warrants and currency warrants, including, among other things, account approval, suitability, communications with the public, and recordkeeping requirements. Rule 2351 provides for the general applicability of the Rule 2350 Series to these warrant products and defines specified terms used in the Rule 2350 Series, while Rule 2357 extends the Rule 2220 options communications requirements to such products. Although the Rule 2350 Series would not apply to binary metric options, FINRA is proposing two conforming changes to these rules in connection with the proposed changes to Rule 2360 described above. First, the proposed rule change would amend the cross-reference in Rule 2351 to the “control” definition in Rule 2360(a)(6) to reflect the renumbering of the paragraphs setting forth the definitions in Rule 2360(a). Second, the proposed rule change would update Rule 2357 to replace the reference to OCC with a reference to a Registered Clearing Agency.

¹⁰ Rule 2360(b)(5)(A)(i)b.

¹¹ For example, Cboe Exchange Inc. provides that, for purposes of reporting requirements, 100 binary KPI option contracts equal one standard option contract, given that binary KPI options have a multiplier of one while standard equity option contracts have a multiplier of 100. See Cboe Binary KPI Options Approval Order, *supra* note 4, 91 FR 65854, 65860.

Proposed Amendments to Rule 4210

Rule 4210(f)(2) sets forth strategy-based margin requirements for options. Various definitions in Rule 4210(f)(2)(A) contain references to OCC. FINRA proposes to replace those references with references to “the Registered Clearing Agency that guarantees the option contract” in the definitions of “aggregate discount amount,” “American-style option,” “call,” “put,” “current cash market price,” “European-style option,” “exercise settlement amount,” and “expiration date.” These changes would ensure that these definitions continue to operate appropriately where an option contract is guaranteed by a registered clearing agency other than OCC.

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so FINRA can implement the proposed rule change immediately.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Exchange Act,¹² which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change will ensure that the investor protection and market integrity requirements under FINRA’s existing rules governing options clearly and appropriately apply to all categories of exchange-listed options products. The proposed rule change is designed primarily to clarify the application of existing FINRA requirements to binary options, options on metrics, and options cleared through a registered clearing agency other than OCC—including binary metric options—and thus to preserve substantially comparable regulatory treatment for all listed options products and promote consistent application of FINRA’s options framework. Further, FINRA’s options rules apply to the options activities of all FINRA members. Clarifying the application of FINRA’s options requirements to all listed options products therefore promotes the clear and consistent application of FINRA’s options framework across all FINRA members. FINRA believes this application of its options framework

promotes just and equitable principles of trade and protects investors and the public interest.

FINRA believes the proposed amendments relating to binary options are consistent with Section 15A(b)(6) of the Act because they clarify the application of FINRA’s existing options framework to listed options with a binary payout structure. In particular, the proposed amendments are designed to ensure that FINRA members are subject to substantially comparable requirements with respect to binary options as to other types of listed options, promoting just and equitable principles of trade and protecting investors and the public interest.

FINRA believes the proposed amendments relating to standardized options cleared by a registered clearing agency other than OCC are consistent with Section 15A(b)(6) of the Act. FINRA’s existing options rules contain numerous references to OCC, reflecting the historical clearing structure for listed options. The proposed amendments are designed to ensure that FINRA’s options framework continues to operate appropriately where an option is issued or guaranteed by another registered clearing agency. By providing for substantially comparable regulatory treatment without regard to the registered clearing agency associated with a listed option, including with respect to customer disclosures and other investor protections, the proposed amendments promote consistent application of FINRA’s options requirements and protect investors and the public interest.

FINRA believes the proposed amendments relating to options overlying metrics are consistent with Section 15A(b)(6) of the Act because they clarify that FINRA’s existing options requirements apply where the underlying interest is a metric rather than an individual security’s price or index’s value. The proposed amendments are designed to ensure the application of FINRA’s existing regulatory protections, including requirements relating to position reporting, confirmations, and transactions with issuers, to options overlying metrics. FINRA believes that providing consistent regulatory treatment of options activity regardless of whether an option overlies a security, index, or metric promotes just and equitable principles of trade and protects investors and the public interest.

Finally, FINRA believes the proposed clarifying and conforming amendments are consistent with Section 15A(b)(6) of the Act. These amendments are

designed to improve the clarity, consistency, and operation of FINRA’s options rules in light of the foregoing changes, including by consolidating related definitions, updating cross-references and terminology, and making other conforming changes. FINRA believes these amendments will facilitate the clear and consistent application of FINRA’s options rules by members and thereby promote just and equitable principles of trade and protect investors and the public interest.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Economic Impact Assessment

FINRA has undertaken an economic impact assessment to analyze the potential economic impacts of the proposed rule change, including anticipated costs, benefits, distributional and competitive effects, relative to the applicable baseline, and the alternatives considered in assessing how best to meet FINRA’s regulatory objectives.

Regulatory Need

As discussed above, multiple national securities exchanges have filed proposed rule changes to list and trade binary metric options, which may be cleared by a Registered Clearing Agency other than OCC, and the Commission has approved at least one such filing. Current FINRA rules governing listed options activity were developed principally around listed options that settle based on the price of an individual security or index and that clear through OCC. While FINRA intends for its options framework to apply broadly to listed options products, current rule text does not expressly address certain listed options structures, including options overlying metrics, binary options, and options cleared by a Registered Clearing Agency other than OCC. As a result, uncertainty and associated costs may arise regarding the application of existing FINRA requirements to such products. The proposed rule change would clarify that the existing rules for listed options apply broadly to all listed options products, including binary options, options on metrics, and options cleared by a Registered Clearing Agency other than OCC.

¹² 15 U.S.C. 78o–3(b)(6).

Economic Baseline

The economic baseline for this analysis is the application of FINRA's current rules in a market where exchanges have received, or may receive, Commission approval of proposed rule changes to list and trade binary metric options. Under the baseline, FINRA members considering participation in these products would need to determine how existing FINRA requirements apply to various listed options structures not expressly addressed under current rule text, including options based on metrics, binary options, and options cleared by a Registered Clearing Agency other than OCC. This uncertainty could result in additional legal, compliance, and operational costs and may delay or deter participation by some firms, potentially imposing limitations and costs on customers who seek to trade these option contracts.

Economic Benefits and Costs

The proposed rule change would affect FINRA members that currently participate, or may participate in the future, in listed options activity involving any of the options products addressed by the proposed amendments. By clarifying the application of FINRA rules to these products, the proposed rule change may reduce legal, compliance, and operational uncertainty and promote more consistent regulatory treatment across products. To the extent that exchanges introduce additional products with similar characteristics in the future, the proposed rule change may also reduce the need for subsequent conforming changes to FINRA's rules, avoiding delay and uncertainty to market participants in such circumstances.

The magnitude of these benefits depends on the extent of member participation, on their own behalf or on behalf of customers, in binary metric options products, or other products addressed by the proposed rule change, and the degree to which uncertainty under the current rules would otherwise delay or deter such activity. By clarifying the application of FINRA rules to binary options, options on metrics, and options cleared by a Registered Clearing Agency other than OCC, the proposed amendments may facilitate participation by FINRA members and may expand the range of firms through which customers can access these products to the extent that uncertainty under the current rules would otherwise have delayed or deterred such activity. Any such effect

would be incremental to the effects of an exchange's introduction of the product or changes to clearance of a product and the Commission's approval of the applicable exchange and any clearing agency proposals.

Participating firms may incur costs to update systems, supervisory procedures, training materials, account-opening processes, disclosure practices, reporting processes, and other operational controls necessary to accommodate binary metric options or other products addressed by the proposed rule change. The magnitude of these costs would vary depending on a firm's business model, existing options infrastructure, and expected level of participation in these products. Members are likely to incur the compliance and operational costs associated with the proposed amendments only where the anticipated business opportunities are deemed sufficient to justify participation in binary metric options or other options products.

Competitive and distributional effects may differ across firms based on the extent of their activities in binary metric options or other options products addressed by the proposed rule change. Members already participating in existing options markets may face lower incremental costs than firms requiring new systems or commercial arrangements to participate in options markets, and costs may vary depending on a member's role as an introducing, carrying, or clearing firm.

The economic impact and competitive and distributional effects of the proposed rule change may vary based, in part, on the extent to which the requirements applicable to FINRA members under the proposed rule change differ from the requirements applicable to members of exchanges listing options products addressed by the proposed rule change.

Alternatives

No alternatives were considered.

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

Written comments were neither solicited nor received.

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

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative upon filing. Waiver of the operative delay would allow FINRA to update its rules immediately consistent with developments in exchange-listed options related to binary options, including binary metric options, and options cleared by a registered clearing agency other than the OCC. This should help to ensure consistent regulatory treatment of all market participants trading binary options, including binary metric options. For these reasons, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.¹⁷

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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹⁸ of the Act to determine whether the proposed rule should be approved or disapproved.

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 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. FINRA has satisfied this requirement.

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁸ 15 U.S.C. 78s(b)(2)(B).

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-FINRA-2026-022 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-FINRA-2026-022. 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 FINRA. 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-FINRA-2026-022 and should be submitted on or before November 19, 2026.

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

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106730; File No. SR-NYSEAMER-2026-94]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the NYSE American Options Fee Schedule To Modify Pricing for the Customer Best Execution ("CUBE") Auctions

October 26, 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 October 15, 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 the NYSE American Options Fee Schedule ("Fee Schedule") to modify pricing for the Customer Best Execution ("CUBE") Auctions. The Exchange proposes to implement the fee change effective October 15, 2026. 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 purpose of this filing is to amend the Fee Schedule to modify participant rebates offered for initiating CUBE Auctions.⁴ The Exchange proposes to implement the fee change effective October 15, 2026.⁵

Background

The Exchange has established various pricing incentives designed to encourage increased electronic volume executed on the Exchange, including, but not limited to, the American Customer Engagement ("ACE") Program.⁶ To encourage participation in the ACE Program and CUBE Auctions, the Exchange offers an ACE Initiating Participant Rebate to ACE Program participants that initiate Single-Leg CUBE Auctions,⁷ Complex CUBE Auctions,⁸ and AON Single-Leg or AON Complex CUBE Auctions.⁹ Currently, the ACE Initiating Participant Rebate for each of these auctions \$0.12 per contract for all issues (*i.e.*, penny and non-penny).

In addition, the Exchange offers the Alternative Initiating Participant Rebate that enables non-ACE Program participants to qualify for this Rebate on certain initiating Complex CUBE

⁴ See generally Rules 971.1NYP and 971.2NYP and Commentaries .04 (describing the CUBE Auction, which is an electronic crossing mechanism for single-leg, complex, and AON orders with a price improvement auction on the Exchange).

⁵ The Exchange originally filed to amend the Fee Schedule on October 1, 2026 (SR-NYSEAMER-2026-91). SR-NYSEAMER-2026-91 was withdrawn on October 15, 2026 and replaced by this filing.

⁶ See Fee Schedule Sections I.E. (American Customer Engagement ("ACE") Program).

⁷ See Fee Schedule Section I.G (CUBE Auction Fees & Credits, Single-Leg CUBE Auction), note 2. Rebate is applied to each of the first 5,000 contracts per leg of a CUBE Order executed in a CUBE Auction, except in MXEA, MXEF, MXUSA, MXWLD, and MXACW, and the Rebate amount is tied to the ACE Program Tiers. This Rebate is in addition to any additional credits set forth above.

⁸ See Fee Schedule Section I.G (CUBE Auction Fees & Credits, Complex CUBE Auction), note 2. Rebate applied to each of the first 1,000 contracts per leg of a Complex CUBE Order executed in a Complex CUBE Auction, except in MXEA, MXEF, MXUSA, MXWLD, and MXACW and is in addition to any additional credits set forth above.

⁹ See Fee Schedule Section I.G (CUBE Auction Fees & Credits, AON Single-Leg or AON Complex CUBE Auction), note 2. Rebate may be applied to each of the first 5,000 contracts of an AON CUBE Order executed in an AON Single-Leg CUBE auction, or the first 1,000 contracts per leg of an AON CUBE Order executed in an AON Complex CUBE auction, except in MXEA, MXEF, MXUSA, MXWLD, and MXACW. The Rebate is in addition to any additional credits set forth above.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

¹⁹ 17 CFR 200.30-3(a)(12), (59).