

## Press Release

---

# SEC Enables Immediate Effectiveness of Proposed Rule Change to Facilitate NYSE Electronic Auctions in Light of Temporary Closure of Physical Trading Floor

### FOR IMMEDIATE RELEASE

2020-67

*Washington D.C., March 21, 2020* — The U.S. Securities and Exchange Commission noticed for immediate effectiveness a proposed rule filing submitted by New York Stock Exchange LLC (NYSE) to facilitate electronic auctions in light of its decision to temporarily close its New York trading floor.

NYSE announced that it will temporarily close its trading floor effective Monday, March 23, as a precautionary measure in response to COVID-19. The NYSE rule filing modifies certain rules to set wider price parameters, and to remove volume limits, within which NYSE designated market makers (DMMs) can facilitate auctions in an electronic trading environment.

“The SEC has been in close contact with exchanges and other market participants as they implement business continuity measures in response to COVID-19,” said Brett Redfearn, Director of the SEC’s Division of Trading and Markets. “The Division is prepared to act quickly to facilitate the implementation of these measures to support orderly trading on our nation’s securities markets and to help ensure the health and safety of all market participants.”

NYSE rules currently set price and volume parameters beyond which DMMs may not electronically facilitate an auction. NYSE rules also permit the exchange to waive these parameters on a day-by-day basis. The rule filing describes temporary modifications that will be applicable for a prolonged period and that are designed to facilitate fair and orderly auctions on the exchange by clarifying when DMMs can electronically facilitate auctions and by aligning these parameters with the price collars that would apply during an auction facilitated by the exchange’s own systems.

- The first modification suspends the existing price and volume parameters restricting DMMs from effecting a core open auction, trading halt auction, or closing auction.
- The second modification widens to ten percent the percentage price parameters for when a DMM may electronically effect a core open auction, trading halt auction, or closing auction. Under current NYSE rules, these price parameters are—unless suspended by the exchange for a given trading day—four percent for opening auctions under normal market conditions (eight percent under volatile conditions), and from two to five percent for closing auctions, depending on a security’s price.
- The third modification suspends the requirement for DMMs to publish pre-opening indications before a core open or trading halt auction, which is a floor-based manual action.
- The fourth modification establishes the auction collars for an exchange-facilitated trading halt auction following a Level 1 or Level 2 market-wide circuit breaker halt at the greater of ten percent or \$0.15.

NYSE also provided additional information on its regulatory and surveillance procedures associated with these modifications and conducted a full test of these modifications on Saturday, March 21. The SEC will continue to work with NYSE as these changes are implemented. The rule filing provides that the modifications are temporary until May 15, 2020 (or sooner if the trading floor reopens).

The Commission notes that the NYSE has published a set of FAQs for market participants as it transitions to operations without the availability of its trading floor and floor-broker order types, available at:

[https://www.nyse.com/publicdocs/nyse/NYSE\\_Floor\\_Closure\\_FAQ\\_20200320.pdf](https://www.nyse.com/publicdocs/nyse/NYSE_Floor_Closure_FAQ_20200320.pdf).

###

## Related Materials

---

- [SEC Order](#)