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## NYSE proposes to amend listed company rule relating to news releases issued at market close

By Richard F. Langan and John C. Partigan

On Tuesday, August 29, 2017, the Securities and Exchange Commission released a proposal to amend the New York Stock Exchange Listed Company Manual Rule 202.06 to prohibit NYSE-listed companies from issuing material news after the NYSE close of trading until the earlier of the publication of the company's official closing price on the NYSE or five minutes after the NYSE's official closing time for the placement of orders, which currently is generally 4:00 PM ET. The SEC release can be found on the SEC's website at: <https://www.sec.gov/rules/sro/nyse/2017/34-81494.pdf>.

Currently, Rule 202.06 contains an advisory that "the Exchange asks companies that intend to issue material news after the closing of trading on the Exchange to delay doing so until the earlier of publication of such company's official closing price on the Exchange or fifteen minutes after the close of trading on the Exchange in order to facilitate an orderly closing process to trading on the Exchange." The advisory has not been effective, however, and the NYSE has continued to experience situations where material news was released by listed companies shortly after 4:00 PM ET, causing significant investor confusion.

The rule change is intended to avoid market disruption and investor confusion caused by material pricing disparities that may occur between the NYSE closing price of a company's stock and trading prices on exchanges that remain open after the NYSE closing time for the placement of orders, which may occur when a company releases news shortly after the NYSE close. Typically, orders placed near the market close are filled within five minutes after the close.

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