

Practice Update

SEC Approves Changes to NYSE Material News Release Rule

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By Jonathan L. Awner, Christina C. Russo, and Tara A. Jackson

The U.S. Securities & Exchange Commission has approved an amendment to Section 202.06 of the *New York Stock Exchange (the NYSE) Listed Company Manual* to prohibit the issuance of material news by listed companies in the period immediately after the official closing time for the NYSE's trading session until the earlier of:

- Publication of such company's official closing price on the NYSE, or
- Five minutes after the NYSE's official closing time, which is generally 4:00 p.m. Eastern Time except for certain days when the official closing time occurs early at 1:00 p.m. Eastern Time.

The amendment was approved to reduce the likelihood of investor confusion due to potentially significant price differences caused by the release of material news after closing time but before the closing auction on the NYSE is completed.

The approved rule, which became effective on December 7, 2017, includes an exception for companies releasing material news to cure an unintentional selective disclosure under Regulation FD.

Related People

Jonathan L. Awner
David M. Doney
Tara A. Jackson
Mark Y. Liu
Esther L. Moreno
Palash I. Pandya
Stephen K. Roddenberry
Christina C. Russo
Philip Schwartz
Wayne A. Wald

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