

trading to occur on the Exchange at the beginning of the Pre-Market Session in all NMS Stocks would allow for price formation to occur earlier in the trading day, which in turn would allow market participants to react to news that has developed, and that, as such, trading at the beginning of regular hours may be more orderly.

II. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹¹ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹² which requires, among other things, that the rules of a national securities exchange be 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.

The Commission believes that the Exchange's proposal protects investors and the public interest because it is designed to promote fair and orderly markets following a MWCBC Level 3 halt in all securities. The Exchange's proposal is designed to promote fair and orderly markets in two ways. First, by permitting the resumption of trading no differently from any normal trading day, market participants are not forced to trade in manner differently from normal trading days following a Level 3 market event.¹³ This is particularly important as the market seeks to resume trading after being required to halt trading for the remainder of the prior trading day.

Secondly, the Exchange's proposal is designed to enable price formation to occur for all securities earlier in the trading day, which in turn could allow market participants to react to news that has developed and may result in more orderly trading at the beginning of regular hours.¹⁴ For these reasons, the Commission finds that the Exchange's proposal is consistent with the Act.

III. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁵ that the proposed rule change (SR-NASDAQ-2020-003) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88357; File No. SR-NYSE-2020-03]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Add New Rule 46B To Permit the Appointment of Regulatory Trading Officials and Amend Rules 47 and 75

March 11, 2020.

On January 14, 2020, New York Stock Exchange LLC ("NYSE") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to add new Rule 46B to permit the appointment of Regulatory Trading Officials and amend Rules 47 and 75 to review whether a bid or offer was verbalized at the point of sale in time to be eligible for inclusion in the Closing Auction. The proposed rule change was published for comment in the **Federal**

Register on January 30, 2020.³ The Commission received no comments on the proposed rule change.

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is March 15, 2020. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designates April 29, 2020, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change (File No. SR-NYSE-2020-03).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88361; SR-NYSE-2019-68]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Withdrawal of a Proposed Rule Change To Amend Its Rules To Add New Rule 7.19 (Pre-Trade Risk Controls)

March 11, 2020.

On November 27, 2019, New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act

³ See Securities Exchange Act Release No. 88033 (Jan. 24, 2020), 85 FR 5511 (Jan. 30, 2020).

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

⁶ 17 CFR 200.30-3(a)(31).

¹¹ 15 U.S.C. 78s(b)(2).

¹² 15 U.S.C. 78f(b)(5).

¹³ The Exchange states that it has been working with other national securities exchanges and FINRA to establish a standardized approach for resuming trading in all NMS Stocks following a Level 3 halt, and that the proposed approach would allow for the opening of all securities the next trading day after a Level 3 halt as a regular trading day, and is designed to ensure that Level 3 MWCBC events are handled in a more consistent manner that is transparent for market participants. See Notice, *supra* note 3, at 3993. As noted above, the Commission recognizes that the Exchange has filed this proposal in consultation and coordination with the other national securities exchanges and FINRA and expects that these SROs will file proposals with the Commission to harmonize the MWCBC rules and facilitate appropriately a cross-market resumption of trading following a Level 3 halt that is no different from any normal trading day.

¹⁴ The Commission recognizes that while the proposal will permit all securities to be traded in the Exchange's Pre-Market Session, during which certain price protections for volatility such as LULD Price Bands or MWCBC protections are not in effect, it believes that this is justified by the benefits noted above.

¹⁵ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.