

*Frequently Asked Questions
SEC Rule 201 (Short Sale)
NYSE and NYSE Amex (the “Exchange”)*

How will the NYSE and NYSE Amex comply with Rule 201 of Reg. SHO?

The Exchange will have new responsibilities under the Rule as both a primary listing market and executing market. As a primary listing market, the Exchange will determine whether the Rule 201 price test has been triggered because a transaction in a listed security has occurred at a price (Consolidated last sale) 10% or more below the previous day’s closing price on the Exchange. Such a trade will generate a message to the SIP (Consolidated Quotation System (CQS) and Consolidated Tape System (CTS)) that the Short Sale Trigger price has been reached. Once the price test has been triggered in a security, the Exchange, as an executing market, will prevent the execution of short sale orders at or below the current National Best Bid (NBB) in that security (unless the short sale is exempt under Rule 201 and has been marked short sale exempt (“SSE”).

What type of notification will the Exchange provide for stocks that have hit a Short sale “circuit breaker”?

The Exchange will issue trade messages via CTS/CQS that the Short sale price test has been triggered intra-day. The message will be re-issued at 7 am the next morning. In addition, CTS and CQS will mark each subsequent trade and quote to indicate that the Short Sale price test has been triggered. NYSE Alerts, a proprietary data product, will also distribute circuit breaker messages. NYSE Open Book and Open Book Ultra will not carry this data.

What if there is no previous day’s closing price?

If a listed security was halted during the prior trading day or did not trade at all, the Exchange will use the last sale price for that security, on whatever day it occurred.

Will the Short Sale price test apply on the first day a security transfers its listing to the NYSE/NYSE Amex?

Yes, the reference price will be the closing price on the exchange from which the security transferred.

Will the Short Sale price test apply on the first day of a new offering?

The Exchange anticipates that this question will be addressed in the SEC FAQs.



How will the Exchanges handle the Open, Close and Intra-day Auction after a Regulatory Halt (news pending, news dissemination)?

First, the Exchange's new Rule 440B to implement SEC Rule 201 will provide that the Exchange will not calculate the Short Sale price test in a listed security until such security is open for trading on the Exchange.

Second, the Exchange, along with the Nasdaq Stock Market and affiliated exchanges, has applied to the SEC for exemptive relief from applying the Short Sale price test for the single price Open, Close and Re-opening transactions.

How will the Exchange apply the Short Sale price test when the market is crossed?

The Exchange is filing a request with the SEC for exemptive relief from applying the price test when the market in a security is crossed.

How will the Exchange handle orders to sell short that are priced at the NBB or at the market?

The Exchange will refile (also known as 'price sliding') at a price one minimum increment higher for all SS orders, except IOCs and ISOs (which under Exchange Rule 13 are treated as the same as IOCs). IOCs and ISOs will be executed to the extent they can, with the balance cancelled back. All SS orders, including IOCs and ISOs, will execute against "dark" interest above the national best bid.

Will orders in NYSE, NYSE Amex and Nasdaq UTP symbols be handled the same way?

Yes.

Will the Exchange "ack" back to the customer the refiled price of an order?

No.

Will the Exchange offer any new order types as part of implementing Rule 201?

The Exchange will re-introduce the Short Sale Exempt (SSE) order, as required by SEC Rule 201.

How will the Exchange handle short sale exempt ("SSE") orders if they are sent when the Short Sale price test is not in effect?



NYSE Euronext

The Exchange will accept SSE orders at all times. SSE GTC orders will remain on the Exchange until cancelled. Under Rule 201, Broker/dealers are responsible for marking orders correctly.

Will firms need to populate SSE orders with different account types?

The reinstatement of the seven Account Type Indicators that were in place when SSE was previously a valid order type is under review. If reinstated, any such indicator would **not** be a “Day 1” requirement.

Will the Exchange support any industry testing opportunities?

Yes, the Exchange will participate in the October 23, 2010, industry test. Details will be provided shortly.

Test data from the SIP (CTS/CQS) has been available Monday through Friday evenings since August 9th for CQS and August 12th for CTS. CTS/CQS technical questions can be directed to Diane Mucha at 212-383-5411 or William Gutierrez at 212-383-4908.

Where are the Exchange specs?

- CTA – <http://www.nyxdata.com/News/Details?id=673>
- NYSE/NYSE Amex – http://traderupdates.nyse.com/2010/08/technical_changes_in_support_o.html
- NYSE Market Data products (Alerts) – <http://www.nyxdata.com/Data-Products/NYSE-Alerts>