

Market-Wide Circuit Breakers FAQ

The NYSE equities and options exchanges have procedures for coordinated cross-market trading halts if a severe market price decline reaches levels that may exhaust market liquidity.

These procedures, known as Market-Wide Circuit Breakers (“MWCB”), temporarily halt trading or, under extreme circumstances, close the markets before the normal close of the trading session. MWCBs are determined by a single-day decrease in the S&P 500 Index.

1. When is a MWCB halt triggered?

A MWCB can be triggered at three circuit breaker thresholds measured by a decrease against the prior day’s Closing Price of the S&P 500 Index -- 7% (Level 1), 13% (Level 2), and 20% (Level 3). [Rule 7.12](#) governs MWCB.

2. When can a MWCB be triggered?

Level 1 and Level 2 can be triggered between 9:30 a.m. and 3:25 p.m.¹

Level 3 can be triggered at any time.

3. If a MWCB is triggered, how long do the markets halt?

Level 1 and Level 2 breaches halt trading for a *minimum* of 15 minutes.

Level 3 breach halts trading for the remainder of the trading day.

4. How do the NYSE Exchanges process orders during a MWCB halt?

Following a MWCB halt, NYSE, NYSE Arca, and NYSE American will run reopening auctions in their respective primary-listed securities. Orders in those securities will be processed differently than orders in securities that trade on an unlisted trading privileges (“UTP”) basis. Order entry during a halt is set forth in more detail in [Rule 7.18](#).

For primary-listed securities on NYSE, NYSE Arca, and NYSE American:

- Auction eligible orders (including Market, Displayable Limit, MOO, and LOO Orders) will be accepted.

¹ Note that a Level 1 and Level 2 breach can be triggered only once per trading day. For example, if the S&P 500 Index declines an additional 7% after the reopening following a Level 1 MWCB, another MWCB would not be triggered unless the Index declines by 13% (Level 2 breach).

- Resting orders that are not auction eligible (non-displayed interest) will be canceled. Arriving orders that are not auction eligible (non-displayed interest) and IOC orders will be rejected.
- Unexecuted Market Orders on the book prior to the halt will not be canceled.
- Requests to cancel, cancel/replace or modify resting orders will be accepted.
- Orders designated for the close, including MOC, LOC, and Closing D orders (on NYSE) will continue to be accepted, subject to each Exchange's rules.

For securities trading UTP on NYSE, NYSE Arca, NYSE American, NYSE National and NYSE Texas:

- Market Orders, MOO, LOO, MOC, and LOC will be accepted and routed to the primary listing market.
- All other new orders will be rejected.
- Resting non-displayed orders will be canceled.
- Requests to cancel resting orders will be accepted.
- All other order instructions will be rejected.

5. For Level 1 and Level 2 MWCB halts, when will the reopening auction take place?

The earliest a reopening auction can be conducted after a MWCB halt is 15 minutes. After a MWCB is triggered, NYSE will publish a [Trader Update](#) providing the time when securities will begin reopening.

- **NYSE:** NYSE Designated Market Makers (DMMs) facilitate the auction process for NYSE-listed securities, either electronically at the end of the halt period or manually if the auction conditions necessitate human intervention, choosing a price that ensures all better priced interest is satisfied (including Market Orders, MOO, LOO and marketable limit orders). Manually facilitated auctions may not run precisely at the end of the 15-minute halt period.
- **NYSE Arca and NYSE American:** Auctions in NYSE Arca and NYSE American-listed securities are electronic, choosing a price within pre-determined collars. If at the end of the halt period the auction cannot be conducted at a price within the collars, automated extension logic will widen the collars and re-evaluate the auction in 5 minutes. Details about the extension logic are available in [NYSE Arca Rule 7.35-E\(e\)](#) and [NYSE American Rule 7.35E\(e\)](#).

6. When will NYSE exchanges resume trading in securities trading UTP following a Level 1 or Level 2 MWCB halt?

The NYSE Exchanges will wait to resume trading in a security trading UTP until LULD Price Bands have been received from the SIP. NYSE Exchanges will wait to resume trading in non-LULD eligible securities until the primary listing market resumes trading.

7. Will a reopening auction occur after 3:50 p.m.?

No. If a primary-listed security is not reopened by 3:50 p.m., a reopening auction will not be conducted for that security and continuous trading will remain halted until the closing auction.

- **Order Processing:** If a primary-listed security is not reopened by 3:50 p.m., MOO, LOO and Imbalance Offset Orders (On NYSE American and NYSE Arca) that were intended for that reopening auction will be canceled. Entry of MOC and LOC Orders (and for NYSE, Closing D Orders) will be subject to existing rules governing order entry and cancellation.
- **Imbalance Information:** At 3:50 p.m., NYSE, NYSE Arca, and NYSE American will cease disseminating the Imbalance information for the reopening auction and will begin disseminating the Imbalance publication for the Closing Auction.
- **Closing Auction Collar:** If an NYSE Arca or NYSE American-listed security was subject to extension logic at 3:50 p.m., the auction collar for the closing auction will be the most recently widened Auction Collars for the reopening auction that did not occur.

8. When will the NYSE Exchanges resume trading after a Level 3 MWCB halt?

After a Level 3 breach, trading on NYSE Group exchanges will remain halted for the remainder of the trading day. On the next trading day, each NYSE exchange will publish a Trading Resume message prior to 4:00 a.m. and order entry and trading will begin at the customary times. NYSE Group will resume trading in UTP symbols once the primary listing exchanges for those symbols have published a Trading Resume message.

9. What is the Official Closing Price if markets reach a Level 3 MWCB and do not reopen for the remainder of the trading day?

The Official Closing Price is the last Consolidated Sale.

10. Do the options markets also halt?

Yes. If the equities market triggers a MWCB halt, the NYSE Arca Options and NYSE American Options markets will halt trading. Any trades that occur after the halt is triggered will be nullified.

11. When will the options markets resume trading?

Once the primary market for the underlying security disseminates a quote and a trade that is at or within the quote, the related option series will be opened automatically.