

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="24"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2020"/> - * <input type="text" value="19"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(2) * <input type="checkbox"/>

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend Rule 7.35C to provide the Exchange with discretion to facilitate a Trading Halt Auction following a market-wide circuit breaker halt

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Last Name *

Title *

E-mail *

Telephone * Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date Assistant Secretary

By

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes to amend Rule 7.35C to provide the Exchange with discretion to facilitate a Trading Halt Auction following a market-wide circuit breaker halt if a security has not reopened by 3:30 p.m. Eastern Time.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1, and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Clare F. Saperstein
Associate General Counsel
NYSE Group, Inc.
(212) 656-2355

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) Purpose

The Exchange proposes to amend Rule 7.35C to provide the Exchange with discretion to facilitate a Trading Halt Auction following a Level 1 or Level 2 trading halt due to extraordinary market volatility under Rule 7.12 (“MWCB

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Halt”) if a security has not reopened by 3:30 p.m. Eastern Time.³

Under Rule 7.12, if there is a Level 1 or Level 2 Market Decline, the Exchange halts trading in all stocks for 15 minutes. At the end of that 15-minute MWCB Halt, the reopening of trading follows the procedures set forth in the Rule 7.35 Series, which provide for Designated Market Makers (“DMMs”) to facilitate such Trading Halt Auctions pursuant to Rule 7.35A. Under Rule 7.35A, a DMM can facilitate a Trading Halt Auction following a MWCB Halt either electronically or manually. Trading Halt Auctions facilitated manually by the DMM may not be completed until some period after the end of the 15-minute MWCB Halt. If a security has not been reopened for trading by 3:50 p.m., that security will remain halted and will be eligible for a Closing Auction, as provided for in the Rule 7.35 Series, instead of a Trading Halt Auction.⁴

Rule 7.35C sets forth the procedures for Exchange-facilitated auctions. Currently, the Exchange will facilitate an Auction only if a DMM cannot facilitate an Auction for one or more securities.

To facilitate the fair and orderly reopening of securities following a MWCB Halt, the Exchange proposes that it have discretion to facilitate a Trading Halt Auction in one or more securities under the procedures described in Rule 7.35C if a security is not reopened by 3:30 p.m. The Exchange continues to believe that DMM-facilitated Trading Halt Auctions following a MWCB Halt provide the greatest opportunity for fair and orderly reopenings of securities, and would therefore continue to provide DMMs an opportunity to reopen securities before effectuating an Exchange-facilitated Trading Halt Auction. The proposal would provide the Exchange with another tool during volatile markets to reopen securities before 3:50 p.m., for continuous trading to resume leading into the close. This proposed rule change would therefore provide the CEO of the Exchange or his or her designee the authority to determine that the Exchange would facilitate a Trading Halt Auction so that a security in one or more securities under the procedures set forth in Rule 7.35C if a security has not reopened by 3:30 p.m., and therefore have continuous trading resume before leading into the close.

The Exchange believes that specifying a time in the Rule at which the Exchange could exercise such discretion would put DMMs on notice of the time that the Exchange could begin facilitating such auctions. The Exchange further believes

³ Under Rule 7.12, a “Level 1 Market Decline” means a decline in the price of the S&P 500 Index of 7% from the closing price of that index, and a “Level 2 Market Decline” means a decline in the price of the S&P 500 Index of 13% from the closing price of that index.

⁴ In such case, MOO Orders, LOO Orders, Opening D Orders, and Primary Pegged Orders will be cancelled (Rule 7.35(d)(2)) and the Exchange will begin disseminating Closing Auction Imbalance Information (Rule 7.35(d)(3)).

that it is not appropriate to provide that the Exchange would automatically facilitate reopening auctions at 3:30 p.m. There may be facts and circumstances where DMMs would be able to reopen all securities before 3:50 p.m., but that the DMM-facilitated process may not have completed by 3:30 p.m. The Exchange would take those facts and circumstances into account before invoking the proposed relief. Exchange staff would communicate with the impacted DMMs verbally on the Floor during such times, and therefore the DMMs would be on notice of whether the Exchange would invoke this relief, and for which securities.

For any Exchange-facilitated Trading Halt Auction, the Exchange proposes to widen the Auction Collars. Currently, the Auction Collar for an Exchange-facilitated Trading Halt Auction would be based on a price that is greater than \$0.15 or 5% away from the Auction Reference Price for the Trading Halt Auction.⁵ The Exchange proposes that, if it facilitates a Trading Halt Auction following a MWCB Halt pursuant to proposed Commentary .01, the Auction Collars would be the greater of \$0.15 or 10% away from the Auction Reference Price.

The proposed rule change is designed to provide the Exchange with more flexibility to respond to the unprecedented market-wide declines that have resulted from both the ongoing spread of the novel COVID-19 virus and an over 30% decline in oil prices before the beginning of trading on March 9, 2020. On Monday, March 9, 2020, the U.S. equities markets triggered the first-ever Level 1 MWCB Halt under the current rules, and only the second MWCB Halt since market-wide circuit breaker rules were adopted after the October 29, 1987 crash.⁶ In advance of the opening on March 9, 2020, the E-mini S&P Futures had triggered a limit down state on the futures market and SPDR S&P 500 ETF (SPY) was trading down over 7% from the prior day's close. Shortly after the opening of trading at 9:30 a.m., the market continued its steep decline and a Level 1 MWCB Halt was triggered at 9:34:13 a.m., with the reopening of trading to begin at 9:49:13 a.m.

Following continued market declines on March 10 and 11, 2020, on Thursday, March 12, 2020, as a result of continued uncertainty about COVID-19, in advance

⁵ The Auction Reference Price for an Exchange-facilitated Trading Halt Auction is the Imbalance Reference Price as determined under Rule 7.35A(e)(3), and is therefore the Consolidated Last Sale Price. As defined in Rule 7.35(a)(11)(A), the Consolidated Last Sale Price means the most recent consolidated last-sale eligible trade in a security on any market during Core Trading Hours on that trading day, and if none, the Official Closing Price from the prior trading day for that security.

⁶ The prior MWCB Halt was triggered under former Rule 80B on Monday, October 27, 1997. The trigger for the MWCB Halts on that day were based on point declines in the Dow Jones Industrial Average (200 point decline to halt trading for 30 minutes and a 400 point decline to halt trading for one hour).

of the opening, the E-mini S&P 500 Futures reached a limit down state on the futures market and SPY was trading down nearly 7% from the prior day's close. With continued declines after the open of trading, a Level 1 MWCB Halt was triggered at 9:35:44 a.m., with the reopening of trading to begin at 9:50:44. All NYSE-listed securities were reopened by 10:23 a.m.⁷ And on Monday, March 16, 2020, following several announcements over the preceding weekend of school closures nationwide, additional guidance on social distancing, including limitations on social gatherings of 50 people or more, and a Federal Reserve announcement that interest rates were being reduced to zero percent, at 9:30:01, a Level 1 MWCB Halt was triggered after the S&P 500 Index declined over 9% in that one second of trading.

Because the reasons for these market declines and related triggers of MWCB Halts are related to the extraordinary ongoing uncertainty regarding how COVID-19 will impact the global economy and daily life, the Exchange proposes to adopt these proposed rule changes on a temporary basis, until May 15, 2020. If uncertainty continues and the Exchange believes that the period for this proposed rule change should be extended, it will file a separate proposed rule change.

The proposed Commentary .01 to Rule 7.35C would provide as follows:

.01 Until May 15, 2020, to facilitate the fair and orderly reopening of securities following either a Level 1 or Level 2 trading halt due to extraordinary market volatility under Rule 7.12 ("MWCB Halt"), the CEO of the Exchange or his or her designee may determine that the Exchange will facilitate a Trading Halt Auction in one or more securities under this Rule if a security has not reopened by 3:30 p.m. If the Exchange facilitates a Trading Halt Auction following a MWCB Halt pursuant to this Commentary, the Auction Collars will be the greater of \$0.15 or 10% away from the Auction Reference Price.

The Exchange would be able to implement the proposed rule change immediately upon effectiveness of this proposed rule change.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is

⁷ Because of the extension logic applicable to Trading Halt Auctions following MWCB Halt for securities listed on NYSE Arca, Inc. ("NYSE Arca") (see NYSE Arca Rule 7.35-E(e), NYSE Arca-listed securities did not all resume trading at 9:50:44. Similar to NYSE, all NYSE Arca-listed securities were also reopened by 10:23 a.m.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

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, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

As a result of uncertainty related to the ongoing spread of the COVID-19 virus and declines in the oil market, the U.S. equities markets are experiencing unprecedented market declines. Level 1 MWCB Halts were triggered on March 9, March 12, and March 16, 2020, and these were the first-ever MWCB Halts under the current rules. The last time there was a MWCB Halt was in 1997. The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would provide discretion for the Exchange to reopen securities if a security has not reopened following a MWCB Halt by 3:30 p.m., which would allow continuous trading to resume leading into the close. As noted, the first-ever MWCB Halts occurred during the week of March 9, 2020, and there have now been three. Based on our experience in the reopening process for these MWCB Halts, the Exchange believes that this proposed rule change would provide the Exchange with the flexibility to use the Rule 7.35C Exchange-facilitated auction procedures to reopen securities more quickly, if needed, near the close of trading.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather is designed to ensure a fair and orderly reopening of securities following a MWCB Halt by provided for a temporary period during which the Exchange would have the flexibility to facilitate a Trading Halt Auction following a MWCB Halt if a security has not reopened by 3:30 p.m. so that the security can resume continuous trading leading into the close.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange believes that the proposed rule change qualifies for immediate effectiveness upon filing as a “non-controversial” rule change in accordance with Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6), thereunder.¹¹

The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as the Commission may designate.

The Exchange believes that the proposed rule change will not significantly affect the protection of investors or the public interest or impose any significant burden on competition because it is designed to ensure a fair and orderly reopening of securities following a MWCB Halt by provided for a temporary period during which the Exchange would have the flexibility to facilitate a Trading Halt Auction following a MWCB Halt if a security has not reopened by 3:30 p.m. so that the security can resume continuous trading leading into the close. These proposed changes are designed to respond to the unprecedented uncertainty and resulting market declines related to the global spread of the COVID-19 virus.

In view of the immediate nature of the relief requested, the Exchange respectfully requests to have the proposed amendments become operative immediately. The Exchange requests that the Commission waive the five business day notice of the Exchange’s intent to file this proposed rule change, as well as the 30-day operative delay, so that the proposed rule change may become immediately operative pursuant to Section 19(b)(3)(A)¹² and Rule 19b-4(f)(6)¹³ thereunder. Waiver of these periods will allow the Exchange to immediately implement the proposed rule change.

The Exchange believes that waiver of both the operative delay and the requirement to provide five-days’ written notice of the proposed rule change would be consistent with the protection of investors and the public interest because the markets have already triggered three Level 1 MWCB Halts, which is

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

unprecedented, and given the ongoing uncertainty relating to the global spread of the COVID-19 virus and ongoing guidance for additional social distancing, the Exchange has no way of knowing whether there will be additional market declines that would trigger a Level 1 or Level 2 MWCB Halt in the immediate future. The Exchange is able to implement these proposed rule changes immediately, and waiver of the operative delay would provide the Exchange with the flexibility to facilitate a Trading Halt Auction following a MWCB Halt if market declines continue at the same pace.

For the foregoing reasons, the Exchange believes that this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule changes if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Text of the Proposed Rule Change

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-NYSE-2020-19)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7.35C

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on March 17, 2020, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes amend Rule 7.35C to provide the Exchange with discretion to facilitate a Trading Halt Auction following a market-wide circuit breaker halt if a security has not reopened by 3:30 p.m. Eastern Time. The proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 7.35C to provide the Exchange with discretion to facilitate a Trading Halt Auction following a Level 1 or Level 2 trading halt due to extraordinary market volatility under Rule 7.12 ("MWCB Halt") if a security has not reopened by 3:30 p.m. Eastern Time.⁴

Under Rule 7.12, if there is a Level 1 or Level 2 Market Decline, the Exchange halts trading in all stocks for 15 minutes. At the end of that 15-minute MWCB Halt, the reopening of trading follows the procedures set forth in the Rule 7.35 Series, which provide for Designated Market Makers ("DMMs") to facilitate such Trading Halt Auctions pursuant to Rule 7.35A. Under Rule 7.35A, a DMM can facilitate a Trading Halt Auction following a MWCB Halt either electronically or manually. Trading Halt Auctions facilitated manually by the DMM may not be completed until some period after the end of the 15-minute MWCB Halt. If a security has not been reopened for trading by 3:50 p.m., that security will remain halted and will be eligible for a Closing Auction, as

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provided for in the Rule 7.35 Series, instead of a Trading Halt Auction.⁵

Rule 7.35C sets forth the procedures for Exchange-facilitated auctions. Currently, the Exchange will facilitate an Auction only if a DMM cannot facilitate an Auction for one or more securities.

To facilitate the fair and orderly reopening of securities following a MWCB Halt, the Exchange proposes that it have discretion to facilitate a Trading Halt Auction in one or more securities under the procedures described in Rule 7.35C if a security is not reopened by 3:30 p.m. The Exchange continues to believe that DMM-facilitated Trading Halt Auctions following a MWCB Halt provide the greatest opportunity for fair and orderly reopenings of securities, and would therefore continue to provide DMMs an opportunity to reopen securities before effectuating an Exchange-facilitated Trading Halt Auction. The proposal would provide the Exchange with another tool during volatile markets to reopen securities before 3:50 p.m., for continuous trading to resume leading into the close. This proposed rule change would therefore provide the CEO of the Exchange or his or her designee the authority to determine that the Exchange would facilitate a Trading Halt Auction so that a security in one or more securities under the procedures set forth in Rule 7.35C if a security has not reopened by 3:30 p.m., and therefore have continuous trading resume before leading into the close.

The Exchange believes that specifying a time in the Rule at which the Exchange could exercise such discretion would put DMMs on notice of the time that the Exchange could begin facilitating such auctions. The Exchange further believes that it is not

⁵ In such case, MOO Orders, LOO Orders, Opening D Orders, and Primary Pegged Orders will be cancelled (Rule 7.35(d)(2)) and the Exchange will begin disseminating Closing Auction Imbalance Information (Rule 7.35(d)(3)).

appropriate to provide that the Exchange would automatically facilitate reopening auctions at 3:30 p.m. There may be facts and circumstances where DMMs would be able to reopen all securities before 3:50 p.m., but that the DMM-facilitated process may not have completed by 3:30 p.m. The Exchange would take those facts and circumstances into account before invoking the proposed relief. Exchange staff would communicate with the impacted DMMs verbally on the Floor during such times, and therefore the DMMs would be on notice of whether the Exchange would invoke this relief, and for which securities.

For any Exchange-facilitated Trading Halt Auction, the Exchange proposes to widen the Auction Collars. Currently, the Auction Collar for an Exchange-facilitated Trading Halt Auction would be based on a price that is greater than \$0.15 or 5% away from the Auction Reference Price for the Trading Halt Auction.⁶ The Exchange proposes that, if it facilitates a Trading Halt Auction following a MWCB Halt pursuant to proposed Commentary .01, the Auction Collars would be the greater of \$0.15 or 10% away from the Auction Reference Price.

The proposed rule change is designed to provide the Exchange with more flexibility to respond to the unprecedented market-wide declines that have resulted from both the ongoing spread of the novel COVID-19 virus and an over 30% decline in oil prices before the beginning of trading on March 9, 2020. On Monday, March 9, 2020,

⁶ The Auction Reference Price for an Exchange-facilitated Trading Halt Auction is the Imbalance Reference Price as determined under Rule 7.35A(e)(3), and is therefore the Consolidated Last Sale Price. As defined in Rule 7.35(a)(11)(A), the Consolidated Last Sale Price means the most recent consolidated last-sale eligible trade in a security on any market during Core Trading Hours on that trading day, and if none, the Official Closing Price from the prior trading day for that security.

the U.S. equities markets triggered the first-ever Level 1 MWCB Halt under the current rules, and only the second MWCB Halt since market-wide circuit breaker rules were adopted after the October 29, 1987 crash.⁷ In advance of the opening on March 9, 2020, the E-mini S&P Futures had triggered a limit down state on the futures market and SPDR S&P 500 ETF (SPY) was trading down over 7% from the prior day's close. Shortly after the opening of trading at 9:30 a.m., the market continued its steep decline and a Level 1 MWCB Halt was triggered at 9:34:13 a.m., with the reopening of trading to begin at 9:49:13 a.m.

Following continued market declines on March 10 and 11, 2020, on Thursday, March 12, 2020, as a result of continued uncertainty about COVID-19, in advance of the opening, the E-mini S&P 500 Futures reached a limit down state on the futures market and SPY was trading down nearly 7% from the prior day's close. With continued declines after the open of trading, a Level 1 MWCB Halt was triggered at 9:35:44 a.m., with the reopening of trading to begin at 9:50:44. All NYSE-listed securities were reopened by 10:23 a.m.⁸ And on Monday, March 16, 2020, following several announcements over the preceding weekend of school closures nationwide, additional guidance on social distancing, including limitations on social gatherings of 50 people or more, and a Federal Reserve announcement that interest rates were being reduced to zero

⁷ The prior MWCB Halt was triggered under former Rule 80B on Monday, October 27, 1997. The trigger for the MWCB Halts on that day were based on point declines in the Dow Jones Industrial Average (200 point decline to halt trading for 30 minutes and a 400 point decline to halt trading for one hour).

⁸ Because of the extension logic applicable to Trading Halt Auctions following MWCB Halt for securities listed on NYSE Arca, Inc. ("NYSE Arca") (see NYSE Arca Rule 7.35-E(e), NYSE Arca-listed securities did not all resume trading at 9:50:44. Similar to NYSE, all NYSE Arca-listed securities were also reopened by 10:23 a.m.

percent, at 9:30:01, a Level 1 MWCB Halt was triggered after the S&P 500 Index declined over 9% in that one second of trading.

Because the reasons for these market declines and related triggers of MWCB Halts are related to the extraordinary ongoing uncertainty regarding how COVID-19 will impact the global economy and daily life, the Exchange proposes to adopt these proposed rule changes on a temporary basis, until May 15, 2020. If uncertainty continues and the Exchange believes that the period for this proposed rule change should be extended, it will file a separate proposed rule change.

The proposed Commentary .01 to Rule 7.35C would provide as follows:

.01 Until May 15, 2020, to facilitate the fair and orderly reopening of securities following either a Level 1 or Level 2 trading halt due to extraordinary market volatility under Rule 7.12 (“MWCB Halt”), the CEO of the Exchange or his or her designee may determine that the Exchange will facilitate a Trading Halt Auction in one or more securities under this Rule if a security has not reopened by 3:30 p.m. If the Exchange facilitates a Trading Halt Auction following a MWCB Halt pursuant to this Commentary, the Auction Collars will be the greater of \$0.15 or 10% away from the Auction Reference Price.

The Exchange would be able to implement the proposed rule change immediately upon effectiveness of this proposed rule change.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁹ in general,

⁹ 15 U.S.C. 78f(b).

and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is 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, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

As a result of uncertainty related to the ongoing spread of the COVID-19 virus and declines in the oil market, the U.S. equities markets are experiencing unprecedented market declines. Level 1 MWCB Halts were triggered on March 9, March 12, and March 16, 2020, and these were the first-ever MWCB Halts under the current rules. The last time there was a MWCB Halt was in 1997. The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would provide discretion for the Exchange to reopen securities if a security has not reopened following a MWCB Halt by 3:30 p.m., which would allow continuous trading to resume leading into the close. As noted, the first-ever MWCB Halts occurred during the week of March 9, 2020, and there have now been three. Based on our experience in the reopening process for these MWCB Halts, the Exchange believes that this proposed rule change would provide the Exchange with the flexibility to use the Rule 7.35C Exchange-facilitated auction procedures to reopen securities more quickly, if needed, near the close of trading.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes

¹⁰ 15 U.S.C. 78f(b)(5).

of the Act. The proposed rule change is not designed to address any competitive issues but rather is designed to ensure a fair and orderly reopening of securities following a MWCB Halt by provided for a temporary period during which the Exchange would have the flexibility to facilitate a Trading Halt Auction following a MWCB Halt if a security has not reopened by 3:30 p.m. so that the security can resume continuous trading leading into the close.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹² Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6).

19b4(f)(6)(iii),¹⁴ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹⁵ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2020-19 on the subject line.

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

¹⁵ 15 U.S.C. 78s(b)(2)(B).

Paper comments:

- Send paper comments in triplicate to: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2020-19. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2020-19 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to

delegated authority.¹⁶

Eduardo A. Aleman
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

Additions: Underlined
 Deletions: [Bracketed]

Rules of New York Stock Exchange LLC

Pillar Platform Rules (Rules 1P - 13P)

Rule 7P EQUITIES TRADING

Section 3. Exchange Trading

Rule 7.35C. Exchange-Facilitated Auctions

(a) If a DMM cannot facilitate an Auction for one or more securities in which the DMM is registered under Rules 7.35A or 7.35B, the Exchange will conduct the Auction for such security or securities electronically as provided for in this Rule.

- (1) If the Exchange facilitates an Auction, DMM Interest will not be eligible to participate in such Auction and previously-entered DMM Interest will be cancelled.
- (2) Floor Broker Interest that has been electronically accepted by the DMM and that has not been cancelled as provided for in Rule 7.35B(a)(1)(C) will be eligible to participate in an Exchange-facilitated Closing Auction.
- (3) A security subject to an Exchange-facilitated Core Open Auction, IPO Auction, Direct Listing Auction, or Trading Halt Auction may open or reopen with a trade or a quote.

(b) *Definitions.* The following are definitions for purposes of this Rule only:

- (1) “Auction Reference Price” means:

Auction	Auction Reference Price
Core Open Auction	Imbalance Reference Price as determined under Rule 7.35A(e)(3)
Trading Halt Auction	Except as provided for in paragraph (e)(1) of this Rule, Imbalance Reference

	Price as determined under Rule 7.35A(e)(3)
Closing Auction	Imbalance Reference Price as determined under Rule 7.35B(e)(3)
IPO or Direct Listing Auction	A price determined under Rule 1.1(s)(1)(F)

- (2) "Indicative Match Price" means the best price at which the maximum volume of shares, including the non-displayed quantity of Reserve Orders, is tradable in the applicable Auction, subject to the Auction Collars.
- (A) If there are two or more prices at which the maximum volume of shares is tradable, the Indicative Match Price will be the price closest to the Auction Reference Price, provided that the Indicative Match Price will not be lower (higher) than the price of an order to buy (sell) ranked Priority 2 - Display Orders that was eligible to participate in the applicable Auction.
- (B) If there are two prices at which the maximum volume of shares is tradable and both prices are equidistant to the Auction Reference Price, the Indicative Match Price will be the Auction Reference Price.
- (C) If the Paired Quantity for an auction consists of buy and sell Market Orders only, the Indicative Match Price will be the Auction Reference Price.
- (D) If the Indicative Match Price is not in the MPV for the security, it will be rounded to the nearest price at the applicable MPV.
- (3) "Auction Collar" means the price collar thresholds for the Indicative Match Price for an Auction. There are no Auction Collars for an IPO Auction or Direct Listing Auction.
- (A) Except as provided for in paragraph (e)(2) of this Rule, the upper (lower) boundary of the Auction Collar is the Auction Reference Price increased (decreased) by either a specified amount or specified percentage, as applicable, rounded to the nearest MPV, provided that the lowest Auction Collar will be one MPV above \$0.00.
- (i) The Auction Collar for the Core Open Auction and the Closing Auction will be based on a price that is the greater of \$0.15 or 10% away from the Auction Reference Price for the applicable Auction.
- (ii) The Auction Collar for the Trading Halt Auction will be based on a price that is the greater of \$0.15 or 5% away from the Auction Reference Price for the Trading Halt Auction.

(B) An Indicative Match Price that is higher (lower) than the upper (lower) boundary of the Auction Collar will be adjusted to the upper (lower) boundary of the Auction Collar and orders eligible to participate in the applicable auction will trade at the collared Indicative Match Price.

(c) *Auction Imbalance Information.* If it is determined that the Exchange will facilitate an Auction, the Exchange will continue to disseminate the same Auction Imbalance Information as provided for in Rules 7.35A(e) and 7.35B(e), provided that a pre-opening indication, as described in Rule 7.35A(d), will not be required for an Exchange-facilitated Auction. Entry and cancellation of orders for the Closing Auction will be subject to the Auction Imbalance Freeze as provided for in Rule 7.35B(f).

(d) *Opportunity for DMM-Facilitated Auction.* Before facilitating an Auction under this Rule, the Exchange will provide the DMM with the opportunity to electronically facilitate an Auction pursuant to Rules 7.35A or 7.35B.

(e) *Trading Halt Auction Following a Trading Pause (“LULD Auction”).* The Exchange will facilitate an LULD Auction following a trading pause under Rule 7.11 (“Trading Pause”) at the scheduled end of the Trading Pause.

(1) Auction Reference Price. If the Limit State that preceded the Trading Pause was at the Lower (Upper) Price Band, the Auction Reference Price will be the Lower (Upper) Price Band.

(2) Auction Collars. If the Auction Reference Price is the Lower (Upper) Price Band, the Lower (Upper) Auction Collar will be the Auction Reference Price decreased (increased) by the Price Collar Threshold, rounded to the nearest MPV, provided that the lowest Auction Collar will be one MPV above \$0.00, and the Upper (Lower) Auction Collar will be the Upper (Lower) Price Band.

(f) *Auction Allocation.* All orders eligible to trade in the applicable Auction will be matched and traded at the Indicative Match Price. Orders eligible to trade in an Auction will be ranked as provided for in Rule 7.36(c) - (g) consistent with the priority ranking associated with each order.

(1) Better-priced orders will be traded in price-time priority.

(2) At-priced orders will be traded as described in Rule 7.35A(h) (for Core Open and Trading Halt Auctions) or Rule 7.35B(h) (for Closing Auctions).

(g) Unexecuted orders.

(1) If a security opens or reopens on a trade, Market Orders (including sell short Market Orders during a Short Sale Period) and Limit Orders with a limit price that is better-priced than the Auction Price and were not executed in the applicable Auction will be cancelled.

- (2) If a security opens or reopens on a quote that is above (below) the upper (lower) Auction Collar, Market Orders (including sell short Market Orders during a Short Sale Period) and Limit Orders with a limit price that is better-priced than the upper (lower) Auction Collar will be cancelled before such quote is published.

Commentary:

.01 Until May 15, 2020, to facilitate the fair and orderly reopening of securities following either a Level 1 or Level 2 trading halt due to extraordinary market volatility under Rule 7.12 (“MWCB Halt”), the CEO of the Exchange or his or her designee may determine that the Exchange will facilitate a Trading Halt Auction in one or more securities under this Rule if a security has not reopened by 3:30 p.m. Eastern Time. If the Exchange facilitates a Trading Halt Auction following a MWCB Halt pursuant to this Commentary, the Auction Collars will be the greater of \$0.15 or 10% away from the Auction Reference Price.
