



NYSE Number 17-01
January 4, 2017

To: All Floor Members, Member Organizations and Floor Personnel
From: NYSE Regulation
Subject: Amendments to Rule 15

Background

NYSE and NYSE MKT Rule 15 requires Designated Market Makers (“DMMs”) to publish pre-opening indications before a security opens if the opening transaction on the Exchange is anticipated to be at a price that represents a change of more than the “Applicable Price Range” from a specified “Reference Price” before the security opens.

Amended Rule 15

NYSE and NYSE MKT have recently amended Rule 15 to add a wider Applicable Price Range for securities with a Reference Price \$3.00 and lower. Effective January 3, 2017, the Applicable Price Range for securities with a Reference Price \$3.00 and lower will be \$0.15 (\$0.30 during extreme market-wide volatility). For securities with a Reference Price above \$3.00, the Applicable Price Range will remain 5% (10% during extreme market-wide volatility).

In addition, for any security not opened by 10 a.m. Eastern Time, including IPOs and securities trading on a when issued basis, DMMs will be required to publish a pre-opening indication prior to opening trading in that security, irrespective of price change. DMMs should publish such pre-opening indications as early as practicable, based on information available at the time regarding the potential opening price of a security. For low-volume securities that do not have sufficient trading interest to open on a trade or a quote by 9:30 a.m. Eastern Time, the DMM should publish a pre-opening indication before 10:00 a.m. Eastern Time, even if such pre-opening indication is wide. For an IPO which will open on a trade, DMMs may consider the facts and circumstances when determining when to publish the first pre-opening indication.

DMMs are reminded that Rule 15 requires a Floor Governor to supervise and approve the publication of all pre-opening indications.

Staff Contacts

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