

June 17, 2022

TO: ALL MEMBERS AND MEMBER ORGANIZATIONS

FROM: NYSE REGULATION

SUBJECT: AMENDMENTS TO NYSE RULE 7.35B

Effective June 10, 2022, the NYSE amended Rule 7.35B relating to the cancellation of Market-on-Close (“MOC”), Limit-on-Close (“LOC”) and Closing Imbalance Offset (“Closing IO”) Orders before the NYSE Closing Auction.¹ As a result of the change, on days when Core Trading Hours end at 4 p.m. ET, MOC, LOC, and Closing IO Orders will no longer be cancelable or changeable after 3:50 p.m.²

Former NYSE Rule 7.35B(f)(2) provided that, between the Closing Auction Imbalance Freeze Time³ and two minutes before the scheduled end of the Core Trading Hours, MOC, LOC, and Closing IO Orders could be canceled, replaced or reduced in size only to correct a Legitimate Error.⁴ In addition, with limited exceptions under the prior rule, a request to cancel, replace, or reduce in size a MOC, LOC, or Closing IO Order entered two minutes or less before the scheduled end of the Core Trading Hours would be rejected.

NYSE Rule 7.35B(f)(2) now specifies that any requests to cancel, replace, or reduce in size a MOC, LOC, or Closing IO Order that are entered between the beginning of the Closing Auction Imbalance Freeze and the scheduled end of Core Trading Hours are to be rejected. Thus, a request to cancel, replace, or reduce in size a MOC, LOC, or Closing IO Order will now be rejected unless it is received by the Exchange before the beginning of the Closing Auction Imbalance Freeze (i.e., ten minutes prior to the scheduled end of Core Trading Hours), even if the cancellation, replacement, or reduction in size is entered to correct a Legitimate Error.

Staff Contacts

Questions concerning this Regulatory Memo should be directed to

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¹ See Securities Exchange Act Release No. 34-95086 (June 10, 2022), SR-NYSE-2021-74, available at: <https://www.sec.gov/rules/sro/nyse/2022/34-95086.pdf>.

² On days when the NYSE is scheduled to close at a time other than 4 p.m., such deadlines - tied to the scheduled end of Core Trading Hours - move accordingly.

³ “Closing Auction Imbalance Freeze Time” means 10 minutes before the scheduled end of Core Trading Hours. See NYSE Rule 7.35(a)(8).

⁴ “Legitimate Error” means an error in any term of an order, such as price, number of shares, side of the transaction (buy or sell), or identification of the security. See NYSE Rule 7.35(a)(13).