

## NYSE Requires Listed Companies to Delay Issuing Material News Immediately After Market Close

December 8, 2017

Under a rule change that is effective immediately, a NYSE listed company is prohibited from issuing material news after the NYSE trading session ends until the earlier of (a) five minutes after the official closing time for the NYSE trading session and (b) the publication of the official closing price of the company's security. The restriction does not apply when a company is releasing material news to cure an unintentional selective disclosure under Regulation FD.

The delay will affect the timing of issuer announcements made following market close, such as press releases announcing securities offerings. The NYSE email alert announcing the rule change is [here](#).

The official closing time of the NYSE is normally 4:00 p.m. ET, although on certain days the official closing time occurs as early as 1:00 p.m. ET. According to the NYSE, when a company releases material news after 4:00 p.m. but before the company's NYSE designated market maker has completed the closing auction, there can be a significant difference between the official NYSE closing price and any price realized during that interlude for a trade executed in another venue, which can result in investor confusion. A listed company can find information about the timing of publication of the official closing price for its securities through the [NYSE Connect](#) platform or from major market data vendors.

Notwithstanding the rule change described above, the NYSE continues to recommend that listed companies delay the release of material news after the close of trading on the NYSE until the earlier of 15 minutes after the scheduled closing time of the NYSE trading session and the publication of the official closing price of the company's security.

To summarize the NYSE's current position, on a day when trading officially closes at 4:00 p.m., (i) a company may not release material news before 4:05 p.m. unless the official closing price has been posted (unless the news release cures an unintentional selective disclosure under Regulation FD), (ii) after 4:05 p.m. until 4:15 p.m., the NYSE recommends (but does not require) that a company not release material news unless the official closing price has been posted and (iii) after 4:15 p.m., the NYSE agrees that a company may release material news even if the official closing price has not been posted.

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If you have any questions regarding the matters covered in this publication, please contact any of the lawyers listed below or your regular Davis Polk contact.

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