

NYSE Proposes to Require Advance Notice of All Dividend and Stock Distribution Announcements

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In mid-April, the NYSE made a [rule filing](#) with the SEC to require listed companies to give notice to the Exchange at least 10 minutes before any public announcement about dividends or stock distributions.

Notification at least 10 minutes prior to public release of a dividend announcement is already required when the Exchange's immediate release policy is in effect. Between 7:00 a.m. ET and the time the NYSE closes (usually 4:00 p.m. ET), companies are required to call the Exchange's Market Watch team at least 10 minutes before any material news announcement. Companies must be prepared to discuss the content, and email a copy of, that announcement to the NYSE.

A separate NYSE rule (204.12) currently requires listed companies to give prompt notice to the NYSE of any action related to dividends or stock distributions, including omissions or postponements, at least 10 days in advance of the record date. Notice must be given as soon as possible after the declaration of the dividend, and no later than simultaneously with the announcement to the media. Fixing of record dates for any purpose also requires prompt notice to the NYSE (204.21), which must include the purpose for which the record date has been fixed.

The NYSE rule filing would amend 204.12 and 204.21 to better align with the timing required under the immediate release policy. The effect is to require companies to provide 10 minutes advance notice about any dividend or stock distribution announcement, not just those made during the time period that the immediate release policy is in effect.

The timely alert policy is also being amended to make clear that it applies to all announcements related to a dividend or a stock distribution. The NYSE believes the rule change is necessary to avoid confusion in the market if there is contradictory information from multiple sources or uncertainty as to whether news reports about dividends are accurate (or turn out to be "fake news").

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

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