

## SEC Approves “Limit Up-Limit Down” Plan and Tighter Circuit Breakers

June 6, 2012 | Client Update

On May 31, 2012, the SEC approved two proposals submitted by the national securities exchanges and FINRA that are designed to dampen volatility in the stock market following the May 6, 2010 flash crash: the establishment of a “limit up-limit down” plan that would temporarily prevent trading in a particular listed stock in the event of rapid price swings, and the modification of existing market-wide circuit breakers. Both proposals are scheduled to go into effect on a one-year pilot basis on February 4, 2013.

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.

**Annette L. Nazareth**

+1 202 962 7075

annette.nazareth@davispolk.com

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