



Market-Wide Circuit Breakers FAQ

The equities and options exchanges have procedures for coordinated cross-market trading halts if a severe market price decline reaches levels that may exhaust market liquidity. These procedures, known as market-wide circuit breakers ("MWCB"), may halt trading temporarily or, under extreme circumstances, close the markets before the normal close of the trading session. MWCBs provide for cross-market trading halts during a severe market decline as measured by a single-day decrease in the S&P 500 Index.

When is a MWCB halt triggered?

A MWCB, which halts trading across all markets, can be triggered at three circuit breaker thresholds that measure a decrease against the prior day's closing price of the S&P 500 Index -- 7% (Level 1), 13% (Level 2), and 20% (Level 3).

Note that now that all of our exchanges are on NYSE Pillar, **Rule 7.12** (not Rule 80B) governs MWCB.

When can a MWCB be triggered?

A Level 1 and Level 2 breach can be triggered between 9:30 a.m. and 3:25 p.m.¹

A Level 3 breach can be triggered at any time.

If a MWCB is triggered, how long do the markets halt?

A Level 1 and Level 2 breach halts trading for a minimum of 15 minutes.

A Level 3 breach halts trading for the remainder of the trading day.

How do the NYSE Exchanges process orders during a MWCB halt?

¹ Note that a Level 1 and Level 2 breach can be triggered only once per trading day. For example, if the S&P 500 Index declines an additional 7% after the reopening following a Level 1 MWCB, another MWCB would not be triggered unless the Index declines by 13% (Level 2 breach).

Because NYSE, NYSE Arca, and NYSE American run reopening auctions for their primary-listed securities, those exchanges process orders differently from how the NYSE Exchanges process orders in securities that trade on an unlisted trading privileges (“UTP”) basis. Order entry during a halt is set forth in more detail in [Rule 7.18](#).

For primary-listed securities on NYSE, NYSE Arca, and NYSE American:

- New orders eligible to trade in an auction (including Market Orders, MOO Orders, and LOO Orders) will be accepted
- Resting orders not eligible to trade in an auction will be cancelled and new non-displayed orders, including IOC orders, will be rejected
- Requests to cancel resting orders will be accepted
- MOC, LOC Orders and other orders designated for the close (e.g., Closing D Orders on NYSE) will continue to be accepted, subject to each exchange’s regular rules regarding entry and cancellation of such orders.

For securities trading UTP on NYSE, NYSE Arca, NYSE American, NYSE National and NYSE Chicago:

- Market Orders, MOO, LOO, MOC, and LOC will be accepted and routed to the primary listing market
- All other new orders will be rejected
- Resting non-displayed orders will be cancelled
- Requests to cancel resting orders will be accepted
- All other order instructions will be rejected

For Level 1 and Level 2 MWCB halts, when will the reopening auction take place?

The earliest time a reopening auction can be conducted is 15 minutes after the beginning of the halt. When a MWCB is triggered, NYSE will publish a Trader Update providing the time when securities can begin reopening.

NYSE: NYSE Designated Market Makers (“DMMs”) are responsible for facilitating the reopening auctions in NYSE-listed securities. The DMMs can facilitate auctions electronically, which would happen at the designated reopening time, or manually. An NYSE-listed security will not reopen until all better-priced orders, which are Market Orders and MOO Orders and marketable Limit Orders and LOO Orders, can be satisfied in the reopening auction. To maintain a fair and orderly reopening process and ensure that Market Orders can be satisfied, NYSE-listed securities may not reopen at the end of the 15-minute halt period.

NYSE Arca and NYSE American: The reopening auction for NYSE Arca and NYSE American-listed securities is electronic. However, because these reopening auctions are subject to automated extension logic, it is possible that NYSE Arca and NYSE American-listed securities will not reopen at the end of the 15-minute halt period.

If all Market Orders cannot be satisfied in the reopening auction, the reopening time will be extended and the collars for the auction widened until all Market Orders and the

Imbalance can be satisfied in the auction within the most recently published auction collars. Details about the extension logic is available in NYSE Arca Rule 7.35-E(e) and NYSE American Rule 7.35E(e).

When will NYSE Exchanges resume trading in securities trading UTP following a Level 1 or Level 2 MWCB halt?

The NYSE Exchanges will wait to resume trading in a security trading UTP until LULD Price Bands have been received from the SIP.

Will a reopening auction occur after 3:50?

No. If a primary-listed security is not reopened by 3:50 p.m., a reopening auction will not be conducted for that security and continuous trading will remain halted until the closing auction.

Order Processing: If a primary-listed security is not reopened by 3:50, MOO and LOO Orders that were intended for that reopening auction will be cancelled. Entry of MOC and LOC Orders (and for NYSE, Closing D Orders) will be subject to existing rules governing order entry and cancellation.

Imbalance Information: At 3:50, NYSE, NYSE Arca, and NYSE American will cease disseminating the Imbalance information for the reopening auction and will begin disseminating the Imbalance publication for the Closing Auction.

Closing Auction Collar: If an NYSE Arca or NYSE American-listed security was subject to extension logic at 3:50, the auction collar for the closing auction will be will be the most recently widened Auction Collars for the reopening auction that did not occur.

When will the NYSE Exchanges resume trading after a Level 3 MWCB halt?

Currently, NYSE Group exchanges will remain closed for all symbols until 9:30 am ET, at which time NYSE, NYSE American and NYSE Arca will begin their opening auction process. However, the Exchanges have filed rules with the SEC to provide that a Level 3 breach trading halt will end at the end of the trading day, thus allowing them to open the next morning with normal operating procedures and times. As with Level 1 and 2 breaches, following a Level 3 breach, trading in UTP securities will not resume on NYSE Group exchanges until the primary listing exchanges for those symbols have reopened and LULD Price Bands have been received.

What is the Official Closing Price if markets reach a Level 3 MWCB and do not reopen for the remainder of the trading day?

The Official Closing Price is the last Consolidated Sale.

Do the options markets also halt?

Yes, if the equities market triggers a MWCB halt, the NYSE Arca and NYSE American Options markets will also halt trading. Any trades that occur after the halt is triggered will be nullified.

When will the options markets resume trading?

Once the primary market for the underlying security disseminates a quote and a trade that is at or within the quote, the related option series will be opened automatically.