

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103698; File No. SR-NYSENAT-2025-17]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 7.18 and Make Conforming Changes to Rules 1.1 and 7.11

August 13, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”),² and Rule 19b-4 thereunder,³ notice is hereby given that on August 5, 2025, NYSE National, Inc. (“NYSE National” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 7.18 (“Halts”) to effectuate amendments to Second Restatement of the CTA Plan and the Restated CQ Plan (together, the “Amended CTA Plan”). In addition, the Exchange proposes to make conforming changes to Rules 1.1 and 7.11. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

NYSE National, Inc. (“NYSE National” or the “Exchange”) proposes to amend Rule 7.18 (“Halts”) to effectuate amendments to Second Restatement of the CTA Plan and the Restated CQ Plan (together, the “Amended CTA Plan”).⁴ The proposed changes would amend the rule pertaining to regulatory and operational halts, improve the rule’s clarity, and adopt defined terms from the Amended CTA Plan.⁵ In addition, the Exchange proposes to make conforming changes

⁴ On February 3, 2021, the CTA/CQ Plan participants (“Participants”) filed Amendment 36 to the Second Restatement of the CTA Plan and Amendment 27 to the Restated CQ Plan, to revise provisions governing regulatory and operational halts. See Letter from Robert Books, Chair, CTA/CQ Operating Committee, to Vanessa Countryman, Secretary, Securities and Exchange Commission, dated February 3, 2021. The SEC approved the amendments on May 28, 2021 (the “Amended CTA Plan”). See Securities Exchange Act Release No. 92070 (May 28, 2021), 86 FR 29849 (June 3, 2021) (SR-CTA/CQ-2021-01). The SEC also approved similar amendments to the Nasdaq UTP Plan. See Securities Exchange Act Release No. 92071 (May 28, 2021), 86 FR 29846 (June 3, 2021) (S7-24-89) (the “Amended Nasdaq UTP Plan”). The Amended CTA Plan and the Amended Nasdaq UTP Plan include provisions requiring Participant self-regulatory organizations (“SROs”) to honor a Regulatory Halt declared by the Primary Listing Market. The provisions in the Amended CTA Plan and the Amended Nasdaq UTP Plan include provisions similar to the changes proposed by the Exchange in this filing.

⁵ The Exchange notes that this proposed rule change is based on a similar rule change filed by the Nasdaq Stock Market LLC (“Nasdaq”) that was approved by the SEC in 2022. See Securities Exchange Act Release No. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022) (SR-NASDAQ-2022-017). In addition, the Exchange’s affiliate exchanges, NYSE American LLC (“NYSE American”) the New York Stock Exchange LLC (“NYSE”), NYSE Arca, Inc. (“NYSE Arca”), and NYSE Texas, Inc. (“NYSE Texas”) have filed similar rule changes. See Securities Exchange Act Release Nos. 102810 (April 10, 2025), 90 FR 16041 (April 16, 2025) (SR-NYSEAMER-2025-19); 103356 (June 30, 2025) (SR-NYSE-2025-21); 103476 (July 16, 2025), 90 FR 34314 (July 21, 2025) (SR-NYSEARCA-2025-50); SR-NYSETEX-2025-23. The Exchange’s proposal here provides the Exchange with more limited authority to declare Regulatory Halts than its affiliate exchanges because the Exchange, unlike its affiliates, is not a Primary Listing Market. Given that difference, certain definitions and concepts from the Amended CTA Plan are not included herein. Several exchanges that do not operate Primary Listing Markets have also filed similar rule changes. See Securities Exchange Act Release Nos. 96574 (December 22, 2022), 87 FR 80213

to Rules 1.1 and 7.11.

Background

The Exchange has been working with other SROs to establish common criteria and procedures for halting and resuming trading in equity securities in the event of regulatory or operational issues. These common standards are designed to ensure that events that might impact multiple exchanges are handled in a consistent manner that is transparent. The Exchange believes that implementation of these common standards will assist the SROs in maintaining fair and orderly markets. Notwithstanding the development of these common standards, the Exchange will retain discretion in certain instances as to whether and how to handle halts, as is discussed below.

Every U.S.-listed equity security has its primary listing on a specific stock exchange (its “Primary Listing Market”)⁶ that is responsible for a number of regulatory functions. These include confirming that the security continues to meet the exchange’s listing standards, monitoring trading in that security, and taking action to halt trading in the security when necessary to protect investors and to ensure a fair and orderly market. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by the Financial Industry Regulatory Authority, Inc. (“FINRA”). The exchanges and FINRA are responsible for monitoring activity on the markets over which they

(December 29, 2022) (SR-Phlx-2022-49); 97093 (March 9, 2023), 88 FR 16045 (March 15, 2023) (SR-PEARL-2023-11); and 97824 (June 29, 2023), 88 FR 43159 (July 6, 2023) (SR-MEMX-2023-11).

⁶ The Exchange proposes to incorporate into Rule 7.18 the same definition of “Primary Listing Market” as appears in Section XI.(a)(i)(H) of the Amended CTA Plan: “‘Primary Listing Market’ means the national securities exchange on which an Eligible Security is listed. If an Eligible Security is listed on more than one national securities exchange, Primary Listing Market means the exchange on which the security has been listed the longest.”

have oversight, but also must abide by the regulatory decisions made by the Primary Listing Market. For example, a venue trading a security pursuant to unlisted trading privileges must halt trading in that security during a Regulatory Halt, which is a defined term under the proposed rules,⁷ and may only trade the security once the Primary Listing Market has cleared the security to resume trading.

While the Exchange and the other SROs intend to harmonize certain aspects of their trading halt rules, other elements of the rules will continue to be unique to each market. The Exchange believes that this is appropriate to reflect different products listed or traded on each market.

The Exchange will implement all of the changes proposed herein in conjunction with the Processor and other SROs implementing the necessary rule changes. The Exchange will publish a trader notice at least 30 business days before implementing the proposed changes.

Proposed Exchange Rule Changes

The Exchange proposes to amend Rule 7.18 to add new definitions and proposed categories of regulatory and operational halts that are designed to address the type of market-wide events described in the Amended CTA Plan. Amended Rule 7.18 would also cross-reference the Exchange's current halt authority. The Exchange also proposes to rename Rule 7.18 from "Halts" to "Trading Halts."

Definitions

Amended Rule 7.18(a) would set forth definitions, many of which cross-reference definitions in the Amended CTA Plan.⁸

⁷ See proposed Rule 7.18(a)(11).

⁸ The Exchange notes that these terms are defined identically in the Amended CTA Plan and the Amended Nasdaq UTP Plan, such that there will be uniformity in the meaning of the terms among such plans as well as among the rules of the SROs. The Exchange proposes to adopt in Rule 7.18(a) all of the definitions in

First, the Exchange proposes to add the definition of “Primary Listing Market”⁹ to Rule 7.18, which will have the same meaning as in the Amended CTA Plan, Section XI(a)(i)(H). As is currently the case under the Exchange’s rules and under the Amended CTA Plan, all Regulatory Halt decisions are made by the market on which the security has its primary listing. This reflects the regulatory responsibility that the Primary Listing Market has for fair and orderly trading in the securities that list on its market and its direct access to its listed companies, which are required to advise it of certain events and maintain lines of communication with the Primary Listing Market. The proposed definition makes clear that if a security is listed on more than one market (a dually-listed security), the Primary Listing Market means the exchange on which the security has been listed the longest. This provision matches language used in the definition of “Primary Listing Exchange” in the Limit Up-Limit Down Plan and will avoid conflict in the event of dually-listed securities.

Second, the Exchange proposes to add a definition for the term “Extraordinary Market Activity,”¹⁰ which would represent a modified version of the term defined in the Amended CTA Plan.¹¹ Specifically, the Exchange proposes to remove the concept of a “market-wide basis” from the Amended CTA Plan’s definition of Extraordinary Market Activity for purposes of the Exchange’s rules because the term “Extraordinary Market Activity” would only be used in the Exchange’s rules as a basis for the Exchange to initiate an Operational Halt, which would only

the Amended CTA Plan Section XI(a)(i) except for definition of “Regular Trading Hours” at Section XI(a)(i)(I), because the Exchange uses different terminology for its trading sessions and those terms are already defined in the Exchange’s rules. See Rule 7.34(a) defining “Early Trading Session,” “Core Trading Session,” and “Late Trading Session.”

⁹ See proposed Rule 7.18(a)(9).

¹⁰ See proposed Rule 7.18(a)(1).

¹¹ See Amended CTA Plan, Section XI(a)(i)(H).

occur on the market declaring the halt (i.e., the Exchange). The current rule does not include a definition for Extraordinary Market Activity. The proposed definition for the term is as follows:

“Extraordinary Market Activity” means a disruption or malfunction of any electronic quotation, communication, reporting, or execution system operated by, or linked to, the Processor or a Trading Center that has a severe and continuing negative impact on quoting, order, or trading activity or on the availability of market information necessary to maintain a fair and orderly market. For purposes of this definition, a severe and continuing negative impact on quoting, order, or trading activity includes (i) a series of quotes, orders, or transactions at prices substantially unrelated to the current market for the security or securities; (ii) duplicative or erroneous quoting, order, trade reporting, or other related message traffic between one or more Trading Centers or their members; or (iii) the unavailability of quoting, order, transaction information, or regulatory messages for a sustained period.

Third, the Exchange proposes to add a set of new definitions that would be specific to events involving the SIP. While the Exchange recognizes that many events involving the SIP would also meet the definition of “Extraordinary Market Activity” as defined in the Amended CTA Plan, the Exchange believes that the critical role of the SIPs in market infrastructure weighs in favor having the Exchange’s rules specify how such events would be handled. The definitions of “SIP Outage,”¹² “Material SIP Latency,”¹³ “SIP Halt,”¹⁴ and “SIP Halt Resume Time”¹⁵ are

¹² See proposed Rule 7.18(a)(14).

¹³ See proposed Rule 7.18(a)(5).

¹⁴ See proposed Rule 7.18(a)(12).

¹⁵ See proposed Rule 7.18(a)(13).

intended to provide specificity to address this subset of potential market issues. In addition, the Exchange is proposing to define terms related to SIP governance needed in order to understand these definitions:

- “Processor” or “SIP”¹⁶ would have the same meaning as the term “Processor” in the Nasdaq UTP Plan or the CTA Plan, as applicable.¹⁷
- “SIP Plan”¹⁸ would be defined as “the national market system plan governing the SIP, as applicable.”
- “Operating Committee”¹⁹ would be defined as having the same meaning as in the CTA Plan, namely the committee charged with administering the CTA Plan.
- “Trading Center”²⁰ would have the same meaning as in Rule 600(b)(95) of Regulation NMS.

The Exchange proposes to adopt a category of Regulatory Halt, called a “SIP Halt,”²¹ that would have the same meaning as that term is defined in the Amended CTA Plan, namely “a Regulatory Halt to trading in one or more securities that a Primary Listing Market declares in the event of a SIP Outage or Material SIP Latency.”²² This new category of Regulatory Halt would address situations where the Primary Listing Market declares a Regulatory Halt in one or more

¹⁶ See proposed Rule 7.18(a)(10).

¹⁷ See, e.g., Amended CTA Plan, Section I(x), which provides: “‘Processor’ means the organization designated as recipient and processor of last sale price information furnished by Participants pursuant to this CTA Plan, as Section V describes.”

¹⁸ See proposed Rule 7.18(a)(15).

¹⁹ See proposed Rule 7.18(a)(7).

²⁰ See proposed Rule 7.18(a)(16).

²¹ See proposed Rule 7.18(a)(12).

²² See Amended CTA Plan, Section XI(a)(1)(K).

securities as a result of a SIP Outage²³ or a Material SIP Latency.²⁴

Fourth, the Exchange proposes to add a definition of “Regulatory Halt,”²⁵ which would be a new defined term that incorporates the Exchange’s existing regulatory halt authority as well as the proposed new regulatory halt authority. The Exchange proposes that the term would have the same meaning as in the Amended CTA Plan,²⁶ as follows:

a halt declared by the Primary Listing Market in trading in one or more securities on all Trading Centers for regulatory purposes, including for the dissemination of material news, news pending, suspensions, or where otherwise necessary to maintain a fair and orderly market. A Regulatory Halt includes a trading pause triggered by Limit Up Limit Down,²⁷ a halt based on Extraordinary Market Activity as defined in the Amended CTA Plan, a trading halt triggered by a Market-Wide Circuit Breaker,²⁸ and a SIP Halt.

²³ “SIP Outage” means “a situation in which the Processor has ceased, or anticipates being unable, to provide updated and/or accurate quotation or last sale price information in one or more securities for a material period that exceeds the time thresholds for an orderly failover to backup facilities established by mutual agreement among the Processor, the Primary Listing Market for the affected securities, and the Operating Committee unless the Primary Listing Market, in consultation with the Processor and the Operating Committee, determines that resumption of accurate data is expected in the near future.” See Amended CTA Plan, Section XI(a)(1)(M).

²⁴ “Material SIP Latency” means “a delay of quotation or last sale price information in one or more securities between the time data is received by the Processor and the time the Processor disseminates the data over the high speed line or over the “high speed line” under the CQ Plan, which delay the Primary Listing Market determines, in consultation with, and in accordance with, publicly disclosed guidelines established by the Operating Committee, to be (a) material and (b) unlikely to be resolved in the near future.” See Amended CTA Plan, Section XI(a)(1)(E).

²⁵ See proposed Rule 7.18(a)(11).

²⁶ See Amended CTA Plan, Section XI(a)(1)(J).

²⁷ The Exchange proposes to incorporate the Amended CTA Plan’s definition of “Limit Up Limit Down.” See proposed Rule 7.18(a)(2).

²⁸ The Exchange proposes to incorporate the Amended CTA Plan’s definition of “Market-Wide Circuit Breaker.” See proposed Rule 7.18(a)(4).

Fifth, the Exchange proposes to add a definition of “Operational Halt,”²⁹ which would be a new definition for the Exchange. The Exchange proposes that this term would have the same meaning as in the Amended CTA Plan, which is: “a halt in trading in one or more securities only on a Market declared by such Participant and is not a Regulatory Halt.”³⁰ An Operational Halt is effective only on the Exchange; other markets are not required to halt trading in the affected securities. In practice, the Exchange has always had the capacity to implement operational halts and local trading suspensions in specified circumstances, but such halts are not currently referred to as “operational halts” in the Exchange’s rules.³¹ The proposed change would provide greater clarity on when an Operational Halt may be implemented and the process for halting and resuming trading in the event of an Operational Halt. An Operational Halt is not a Regulatory Halt.

Regulatory Halts

Proposed Rule 7.18(b) would set forth requirements relating to Regulatory Halts.

Authority to Initiate a Regulatory Halt

Proposed Rule 7.18(b)(1) would describe the three circumstances in which the Exchange must halt pursuant to a Regulatory Halt: (a) when a UTP Listing Market has declared a Trading Pause pursuant to Rule 7.11³² concerning Limit Up-Limit Down;³³ (b) in the event of extraordinary market volatility as set forth in Rule 7.12³⁴ concerning Market-Wide Circuit

²⁹ See proposed Rule 7.18(a)(8).

³⁰ See Amended CTA Plan, Section XI(a)(1)(G).

³¹ See Rule 7.13 (Trading Suspensions).

³² Rule 7.11 is the Exchange’s rule governing Limit Up Limit Down.

³³ The Exchange, as a non-Primary Listing Market, does not itself declare Trading Pauses pursuant to the Limit Up-Limit Down Plan, but rather implements such pauses declared by Primary Listing Markets.

³⁴ Rule 7.12 is the Exchange’s rule governing Market-Wide Circuit Breaker.

Breakers; and (c) when a UTP Listing Market initiates a Regulatory Halt.

Implementing a UTP Regulatory Halt

Proposed Rule 7.18(b)(2) would specify how the Exchange would implement Regulatory Halts declared by other Primary Listing Markets, referred to by the Exchange as a “UTP Regulatory Halt.”³⁵

Proposed Rule 7.18(b)(2)(A) would provide that the Exchange would halt trading in a UTP Security when the UTP Listing Market declares a UTP Regulatory Halt for any such securities. This proposed rule text is based on Section XI(a)(iii) of the Amended CTA Plan, as well as the first sentence of current Rule 7.18(a),³⁶ which provides in part that if the UTP Listing Market declares a UTP Regulatory Halt, the Exchange will halt trading in that security.

Proposed Rule 7.18(b)(2)(B) would provide that the start time of a UTP Regulatory Halt is when the UTP Listing Market declares the halt, regardless of whether an issue with communications impacts the dissemination of the notice. This provision is consistent with Section XI(a)(iv)(A) of the Amended CTA Plan, and would provide market participants with certainty on the official start time of the Regulatory Halt. Under the proposed rule, the start time is fixed by the UTP Listing Market; it is not dependent on whether notice is disseminated immediately. This will avoid possible disagreement if the UTP Regulatory Halt time were tied to dissemination or receipt of notification, which may occur at different times. The Exchange recognizes that in situations where communication is interrupted, trades may continue to occur

³⁵ The term “UTP Listing Market” is defined in Rule 1.1(jj) to mean the primary listing market for a UTP Security. The term “UTP Security” is defined in Rule 1.1(ii) to mean a security that is listed on a UTP Listing Market and that trades on the Exchange pursuant to unlisted trading privileges. The term “UTP Regulatory Halt” is defined in Rule 1.1(kk). The Exchange proposes a non-substantive amendment to this definition to cross-reference the definition of “Regulatory Halt” in proposed Rule 7.18 and delete the clause “that requires all market centers to halt trading in that security” as duplicative of the proposed new definition of Regulatory Halt, described above.

³⁶ As discussed below, the Exchange proposes to delete current Rule 7.18(a) in its entirety.

until news of the UTP Regulatory Halt reaches all trading centers. However, a fixed “official” Regulatory Halt start time will allow SROs to revisit trades after the fact and determine in a consistent manner whether specific trades should stand.

Proposed Rule 7.18(b)(2)(C)(i), (ii), and (iii) would set forth rules for trading halts in UTP Exchange Traded Products.³⁷ This proposed rule text is based on current Rule 7.18(c)(1)(A), (B), and (C) with non-substantive differences to replace the term “primary listing market” with the term “Primary Listing Market” in proposed Rule 7.18(b)(2)(C)(ii) and (iii)(b). The Exchange proposes to delete current Rule 7.18(c) and its sub-paragraphs as duplicative of the proposed rule text.

Resumption of Trading After a Regulatory Halt

The SROs have jointly developed processes to govern the resumption of trading in the event of a Regulatory Halt. While the actual process of re-launching trading will remain unique to each exchange, the proposed rule would harmonize certain common elements of the reopening process that would benefit from consistency across markets. These common elements include the primacy of the Primary Listing Market in resumption decisions, the requirement that the Primary Listing Market make its determination to resume trading in good faith, and certain parts of the complex process for reopening trading after a SIP Halt. With respect to a SIP Halt, common elements of the reopening process include the interaction among SROs (including the Primary Listing Market with the SIP), the requirement that the Primary Listing Market terminate a SIP Halt with a notification that specifies a SIP Halt Resume Time, the minimum quoting times before resumption of trading, the cutoff time after which trading would not resume during Core

³⁷ The term “UTP Exchange Traded Product” is defined in Rule 1.1(m) to mean a security that meets the definition of “derivative securities product” in Rule 19b-4(e) under the Securities Exchange Act of 1934 and that trades on the Exchange pursuant to unlisted trading privileges.

Trading Hours, and the time when trading may resume if the Primary Listing Market does not open a security within the amount of time specified in its rules after the SIP Halt Resume Time.

Proposed Rule 7.18(b)(3) would provide the process for resuming trading upon the conclusion of a Regulatory Halt. This new rule, which would effectuate Section XI(a)(v) and (vi) of the Amended CTA Plan, is divided into the following two subparagraphs concerning resumption of trading: (A) after a Regulatory Halt other than a SIP Halt; and (B) after a SIP Halt.

Proposed Rule 7.18(b)(3)(A) would provide that, for a Regulatory Halt other than a SIP Halt, the Exchange may resume trading by starting to accept orders after the Exchange receives notification³⁸ from the UTP Listing Market that the UTP Regulatory Halt has been terminated, provided that, during Core Trading Hours, the Exchange will not resume trading in any security that is subject to the Limit Up Limit Down Plan until the Exchange receives the first Price Band in that security. This proposed rule text is based on the first sentence of current Rule 7.18(a).³⁹ The Exchange proposes to delete the first sentence of current Rule 7.18(a) as duplicative of the proposed rule text.

Proposed Rule 7.18(b)(3)(B) would address resumption of trading after a SIP Halt initiated by a UTP Listing Market. The proposed rule would provide that for UTP Securities affected by a SIP Halt, during Core Trading Hours, the Exchange may resume trading in the affected security after trading in the affected security has resumed on the UTP Listing Market or

³⁸ The manner and timing of such notice would be determined by the UTP Listing Market.

³⁹ The Exchange does not propose to include the second sentence of current Rule 7.18(a) in the proposed rule, as that sentence is inconsistent with the first sentence (upon which proposed Rule 7.18(b)(3)(A) is based), and would permit the Exchange to resume trading in a security affected by a UTP Regulatory Halt other than a SIP Halt before the UTP Listing Market has provided notification that the halt has ended and before the Exchange receives the first LULD Price Bands in that security. The Exchange accordingly proposes to delete the second sentence of current Rule 7.18(a).

notice has been received from the UTP Listing Market that such trading may resume. The proposed rule would further provide that during Core Trading Hours, if the UTP Listing Market does not open a security within the amount of time listed by the rules of the UTP Listing Market, the Exchange may resume trading in that security, provided that the Exchange will not resume trading in any security that is subject to the Limit Up-Limit Down Plan until it receives the first Price Band in that security.⁴⁰ Outside of Core Trading Hours, the Exchange may resume trading in an affected UTP Security after the SIP Halt Resume Time.

Order Processing During a Regulatory Halt

Proposed Rule 7.18(b)(4) would describe how the Exchange would process new and existing orders in a UTP Security during a UTP Regulatory Halt, including a SIP Halt initiated by a UTP Listing Market. Proposed Rule 7.18(b)(4)(A)(i) - (vi) is based on current Rule 7.18(b)(1) - (6) without any differences. The Exchange proposes to delete current Rule 7.18(b) and its sub-paragraphs as duplicative of the proposed rule text.

Operational Halts

The Exchange proposes to address Operational Halts in proposed Rule 7.18(c). As noted above, an Operational Halt is non-regulatory in nature and applies only to the exchange that calls the halt. As described above, the Exchange has always had the capacity to implement operational halts and local trading suspensions in specified circumstances, but such halts are not currently referred to as “operational halts” in the Exchange’s rules.⁴¹ As part of the Exchange’s

⁴⁰ The Exchange’s proposal to wait for the first Limit Up Limit Down Price Band in the affected UTP Security before resuming trading after a SIP Halt initiated by a UTP Listing Market is consistent with the Exchange’s practice for resuming trading in affected UTP Securities after other types of Regulatory Halts. See proposed Rule 7.18(b)(3)(A) and current Rule 7.18(a).

⁴¹ See Rule 7.13 (Trading Suspensions). The Exchange also notes that its proposed Rule 7.18(c) regarding Operational Halts is substantially identical to the revised NYSE, NYSE American, NYSE Arca, NYSE Texas, Nasdaq, Phlx, MIAX Pearl, and MEMX rules cited in note 4 above, and is therefore not novel.

assessment with other SROs of the halting and resumption of trading, the Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt but where the impact is limited to a single market. For example, just as a market disruption might trigger a Regulatory Halt for Extraordinary Market Activity (as defined in the Amended CTA Plan) if it affects multiple markets, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

Proposed Rule 7.18(c)(1) would specify the Exchange's authority to initiate an Operational Halt, which is discretionary, and provide that the Exchange may declare an Operational Halt for any security trading on the Exchange: if it is experiencing Extraordinary Market Activity on the Exchange (Proposed Rule 7.18(c)(1)(A)) or when otherwise necessary to maintain a fair and orderly market or in the public interest (Proposed Rule 7.18(c)(1)(B)).

Under proposed Rule 7.18(c)(2), the Exchange would notify the Processor if it has concerns about its ability to collect and transmit quotes, orders, or last sale prices, or where it has declared an Operational Halt or suspension of trading in one or more Eligible Securities (as that term is defined in the CTA Plan), pursuant to the procedures adopted by the Operating Committee.

Proposed Rule 7.18(c)(3) would set out rules for order processing during an Operational Halt. In such a case, proposed Rule 7.18(c)(3)(A) would provide that the Exchange would cancel all unexecuted orders resting on the Exchange Book, and proposed Rule 7.18(c)(3)(B) would provide that the Exchange would reject all other incoming order instructions until the Exchange resumes trading. The Exchange currently processes new and existing orders in this manner when it suspends trading. The Exchange proposes to include this processing in Rule 7.18 to specify that this processing would also be applicable to when the Exchange resumes trading following an Operational Halt in an Exchange-listed security.

Proposed Rule 7.18(c)(4) would specify how the Exchange resumes trading after an Operational Halt. Proposed Rule 7.18(c)(4)(A) would provide that the Exchange would resume trading following an Operational Halt when it determines that trading may resume in a fair and orderly manner consistent with the Exchange's rules. Proposed Rule 7.18(c)(4)(B) would address "Communications," and provide that trading in a halted security shall resume at the time specified by the Exchange in a notice. It would further specify that Exchange will notify all other Plan participants and the SIP of such Operational Halt as well as provide notice that an Operational Halt has been lifted using such protocols and other emergency procedures as may be mutually agreed to between the Operating Committee and the Exchange. If the SIP is unable to disseminate notice of an Operational Halt or the Exchange is not open for trading, the Exchange would take reasonable steps to provide notice of an Operational Halt, which shall include both the type and start time of the Operational Halt. Each Plan participant shall continuously monitor communication protocols established by the Operating Committee and the Processor during market hours to disseminate notice of an Operational Halt, and the failure of a participant to do so shall not prevent the Exchange from initiating an Operational Halt.

Conforming Changes to Other Rules

The Exchange also proposes non-substantive amendments of two other rules.

First, as noted above, the Exchange proposes a non-substantive amendment to the definition of “UTP Regulatory Halt” in Rule 1.1(kk) to cross-reference the definition of “Regulatory Halt” in proposed Rule 7.18 and delete the clauses “trade, suspension, halt, or pause” and “that requires all market centers to halt trading in that security” as duplicative of the proposed new definition of Regulatory Halt.

Second, the Exchange proposes to amend Rule 7.11 (Limit Up-Limit Down Plan and Trading Pauses in Individual Securities Due to Extraordinary Market Volatility). Current Rule 7.11(b)(2) provides that if a primary listing market other than the Exchange issues a Trading Pause, the Exchange will resume trading as provided for in Rule 7.18(a) regarding UTP Regulatory Halts. The Exchange proposes to replace the term “primary listing market” with “UTP Listing Market” for clarity.

Implementation

The Exchange will implement all of the changes proposed herein in conjunction with the Processors and the other SROs implementing the necessary rule changes and related technology and procedural changes. The Exchange will publish a trader notice at least 30 business days before implementing the proposed changes.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁴² Specifically, the proposal is

⁴² 15 U.S.C. 78f(b).

consistent with Section 6(b)(5) of the Act⁴³ because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest.

As described above, the Exchange and other SROs are seeking to adopt harmonized rules related to halting and resuming trading in U.S.-listed equity securities. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted and the process through which that halt will be implemented and terminated. Particularly, the proposed changes seek to achieve consistent results for participants across U.S. equities exchanges and in the over-the-counter market while maintaining a fair and orderly market, protecting investors, and protecting the public interest. Based on the foregoing, the Exchange believes that the proposed rules are consistent with Section 6(b)(5) of the Act⁴⁴ because they will foster cooperation and coordination with persons engaged in regulating and facilitating transactions in securities.

As discussed previously, the Exchange believes that the various provisions of the proposed rules that will apply to all SROs are focused on the type of cross-market event where a consistent approach will assist market participants and reduce confusion during a crisis. Because market participants often trade the same security across multiple venues and trade securities listed on different exchanges as part of a common strategy, the Exchange believes that the proposed rules will lessen the risk that market participants holding a basket of securities will have to deal with divergent outcomes depending on where the securities are listed or traded. Conversely, the proposed rules would still allow individual SROs to react differently to events

⁴³ 15 U.S.C. 78f(b)(5).

⁴⁴ 15 U.S.C. 78f(b)(5).

that impact various securities or markets in different ways. This avoids the “brittle market” risk where an isolated event at a single market forces all markets trading equities securities to halt or halts trading in all securities where the issue affected only a subset of securities. By addressing both concerns, the Exchange believes that the proposed rules further the Act’s goal of maintaining fair and orderly markets.

The Exchange believes that the proposed rule’s focus of responsibility on the Primary Listing Market for decisions related to a Regulatory Halt and the resumption of trading is consistent with the Act, which itself imposes obligations on exchanges with respect to issuers that are listed. As is currently the case, the Primary Listing Market would be responsible for the many regulatory functions related to its listings, including the determination of when to declare a Regulatory Halt. While these core responsibilities remain with the Primary Listing Market, trading in the security can occur on multiple exchanges that have unlisted trading privileges for the security or in the over-the-counter market, regulated by FINRA. These other venues are responsible for monitoring activity on their own markets, but also have agreed to honor a Regulatory Halt.

The proposed changes relating to Regulatory Halts would ensure that all SROs handle the situations covered therein in a consistent manner that would prevent conflicting outcomes in cross-market events, and ensure that all Trading Centers recognize a Regulatory Halt declared by the Primary Listing Market. The changes are consistent with and implement the Amended CTA Plan.

The Exchange believes that the other definitions in the proposed rules are also consistent with the Act. The Exchange is adopting a modified form of the term “Extraordinary Market Activity” from the Amended CTA Plan, as described above, to further the Act’s goal of

promoting fair and orderly markets. The Exchange is also proposing to adopt definitions for “SIP Outage,” “Material SIP Latency” and “SIP Halt,” to explicitly address situations that may disrupt the markets, and these definitions are identical to the definitions in the Amended CTA Plan. The proposed rules specify when the Exchange should seek information from the Operating Committee, other SROs, and market participants as well as means for dissemination of important information to the market, consistent with the Amended CTA Plan. The Exchange believes these provisions strike the right balance in outlining a process to address unforeseen events without preventing SROs from taking action needed to protect the market.

The Exchange believes that the proposed rules, which make halts consistent across exchange rules, is consistent with the Act in that it will foster cooperation and coordination with persons engaged in regulating the equities markets. In particular, the Exchange believes it is important for SROs to coordinate when there is a widespread and significant event, as multiple Trading Centers are affected in such an event. Further, while the Exchange recognizes that the proposed rule will not guarantee a consistent result on every market in all situations, the Exchange does believe that it will assist in that outcome. While the proposed rule relating to Regulatory Halts focuses primarily on the kinds of cross-market events that would likely impact multiple markets, individual SROs will still retain flexibility to deal with unique products or smaller situations confined to a particular market.

Also consistent with the Act, and with the Amended CTA Plan, is the Exchange’s proposal in Rule 7.18(c) to address Operational Halts, which are non-regulatory in nature and apply only to the exchange that declares the halt. As noted earlier, the Exchange has always had the capacity to implement operational halts and local trading suspensions, but such halts are not

currently referred to as “operational halts” in the Exchange’s rules.⁴⁵ The Exchange also notes that its proposed Rule 7.18(c) regarding Operational Halts is substantially identical to the revised NYSE, NYSE American, NYSE Arca, NYSE Texas, Nasdaq, Phlx, MIAAX Pearl, and MEMX rules cited above,⁴⁶ and is therefore not novel.

The Exchange believes that the markets would benefit from greater clarity regarding when an Operational Halt may be appropriate. In part, the proposed change is designed to cover situations similar to those that might constitute a Regulatory Halt, but where the impact is limited to a single market. For example, a disruption at the Exchange, such as a technical issue affecting trading in one or more securities, could impact trading on the Exchange so significantly that an Operational Halt is appropriate in one or more securities. In such an instance, it would be in the public interest to institute an Operational Halt to minimize the impact of a disruption that, if trading were allowed to continue, might negatively affect a greater number of market participants. An Operational Halt does not implicate other trading centers.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange believes the proposal is consistent with Section 6(b)(8) of the Act⁴⁷ in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act as explained below.

Importantly, the Exchange believes the proposal would not impose a burden on intermarket competition but rather would alleviate any burden on competition because it is the result of a collaborative effort by all SROs to harmonize and improve the process related to the halting and resumption of trading in U.S.-listed equity securities. In this area, the Exchange

⁴⁵ See Rule 7.13 (Trading Suspensions).

⁴⁶ See supra note 5.

⁴⁷ 15 U.S.C. 78f(b)(8).

believes that all SROs should have consistent rules to the extent possible in order to provide additional transparency and certainty to market participants and to avoid inconsistent outcomes that could cause confusion and erode market confidence. The proposed changes would ensure that all SROs handle the situations covered therein in a consistent manner and ensure that all Trading Centers handle a Regulatory Halt consistently. The Exchange understands that all other Primary Listing Markets intend to file proposals that are substantially similar to this proposed rule change.

The Exchange does not believe that its proposals concerning Operational Halts impose and undue burden on competition. Under its existing rules, the Exchange already possesses discretionary authority to impose halts and trading suspensions for various reasons. The proposed rule change clarifies and broadens the circumstances in which the Exchange may impose such Operational Halts, and specifies procedures for both imposing and lifting them. The Exchange does not intend for these proposals to have any competitive impact whatsoever. Indeed, the Exchange expects that other exchanges will adopt similar rules and procedures to govern operational halts, to the extent that they have not done so already.

The Exchange does not believe that the proposed rule change imposes a burden on intramarket competition because the proposed rule would apply to all market participants equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely-accessible sources to ensure broad availability of information in addition to the SIP data and proprietary data feeds offered by the Exchange and other SROs that are available to subscribers. In addition, the proposed rule change includes several provisions related to the declaration and timing of trading halts and the resumption of trading designed to avoid any advantage to those who can react more quickly than other participants.

The proposals encourage early and frequent communication among the SROs, SIPs, and market participants to enable the dissemination of timely and accurate information concerning the market to market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁴⁸ and Rule 19b-4(f)(6) thereunder.⁴⁹ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the

⁴⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴⁹ 17 CFR 240.19b-4(f)(6).

foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSENAT-2025-17 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NYSENAT-2025-17. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>).

Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-NYSENAT-2025-17 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁰

Sherry R. Haywood,
Assistant Secretary.

⁵⁰ 17 CFR 200.30-3(a)(12).