

SEC LULD Transparency Proposal

Enhancing Retail Transparency of Limit Up–Limit Down Information

Core Principle: Transparency Before Restriction

Retail investors should be able to see the essential Limit Up–Limit Down parameters governing a security before committing capital.

The Current Information Gap

The Limit Up–Limit Down framework protects the market when price movement reaches regulatory boundaries.

However, retail investors may enter a fast-moving security without clearly seeing:

- LULD Reference Price
- Upper LULD Band
- Lower LULD Band
- Applicable LULD Band Percentage

That information can become critical only seconds later if the security enters a limit state or approaches a trading pause.

The Regulatory Logic

LULD already recognizes that extreme price movement can justify market-wide protections.

This proposal does not seek to change LULD mechanics.

It simply asks that the essential parameters of the existing system be plainly available before an investor is exposed to them.

If market rules may restrict executions or lead to a trading pause at specified price boundaries, investors should be able to see those boundaries before entering the market.

Required Baseline Disclosure

The mandatory disclosure should remain narrow.

At minimum, retail investors should be able to see:

LULD Reference Price

Upper LULD Band

Lower LULD Band

Applicable LULD Band Percentage

Example:

LULD Reference Price: \$5.00

Upper LULD Band: \$5.50

Lower LULD Band: \$4.50

Applicable LULD Band: 10%

No additional calculations should be required as part of the mandatory baseline disclosure.

Market Information, Not Trading Advice

The disclosure would not tell investors:

- whether to buy or sell;
- where to place a stop;
- how large a position should be;
- whether a security is safe; or
- whether a trading pause will occur.

It would simply disclose the regulatory price framework already governing the security.

The market provides information. The investor makes the decision.

Visibility and Accessibility

The LULD disclosure should be:

- visible or immediately accessible from the primary quote or order interface;
- available before order submission;
- consistent across desktop, web, and mobile platforms; and
- available without requiring a premium analytical subscription.

The goal is not interface clutter.

The goal is to ensure that essential LULD information is available when it matters.

Why It Matters

This information is especially important when securities are experiencing:

- rapid price movement;
- news-driven activity;

- price discovery;
- thin liquidity;
- significant gaps; or
- unusually high trading volume.

These are precisely the situations in which LULD boundaries may become relevant quickly and investors have the least time to search for regulatory information elsewhere.

Limited Implementation Burden

The proposal intentionally avoids requiring:

- predictive halt models;
- distance-to-band calculations;
- customized risk tools;
- warning pop-ups;
- historical halt analytics;
- chart overlays; or
- individualized calculations.

The mandatory requirement is limited to a small set of LULD-related fields.

This keeps implementation proportionate to the investor-protection benefit.

Preserve Broker Innovation

Brokerage firms should remain free to build premium or proprietary tools around the mandatory baseline.

Examples may include:

- visual LULD overlays;
- proximity alerts;
- historical LULD statistics;
- custom notifications;
- halt-risk analytics; and
- advanced volatility or risk-management tools.

Mandate transparency, not tooling.

This preserves commercial incentives for brokerage firms and market-data providers to develop enhanced tools while ensuring that essential regulatory information remains available to every investor.

Proposed Standard

The Commission should consider requiring that every covered retail trading platform make the following information available before order submission:

LULD Reference Price

Upper LULD Band

Lower LULD Band

Applicable LULD Band Percentage

The Commission establishes the baseline.

The market competes on the enhancements.

Closing Principle

This proposal does not seek to change how the Limit Up–Limit Down system operates.

It seeks to make the existing system more understandable to investors before its protections or restrictions become relevant.

Transparency before restriction.

If an investor can be subjected to a LULD boundary, the investor should be able to see that boundary before entering the trade.