**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-106946; File No. SR-FINRA-2026-027]**

**Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 11892 (Clearly Erroneous Transactions in Exchange-Listed Securities) in Light of the Commission's Approval of Overnight Protected Bands for 23/5 Trading**

November 20, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on November 18, 2026, the Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,[3] which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to amend FINRA Rule 11892 (Clearly Erroneous Transactions in Exchange-Listed Securities) in light of the Commission's approval of Overnight Protected Bands for 23/5 Trading.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is available on FINRA's website at http://www.finra.org and at the principal office of FINRA.

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

In its filing with the Commission, FINRA included statements 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 these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Background

In connection with the Commission's approval of proposals by multiple national securities exchanges to introduce trading 23 hours a day, 5 days a week ("23/5 Trading"), the Operating Committee of the Plan to Address Extraordinary Market Volatility ("LULD Plan")[4] filed proposed Amendment 27 to the LULD Plan, which proposed to establish price band protections during overnight trading hours ("Overnight Price Bands").[5] The Operating Committee proposed that the Overnight Price Bands would initially be temporary static bands 20% above and below two reference points, and that after implementation, the Operating Committee would evaluate the performance of such Overnight Price Bands and propose

4 Unless otherwise specified, the terms used herein have the same meaning as set forth in the LULD Plan.

5 See Securities Exchange Act Release No. 105596 (June 1, 2026), 91 FR 33774 (June 4, 2026) (Notice of Filing of 27th Amendment to the National Market System Plan).

appropriate changes in a new plan amendment.[6] On August 5, 2026, the Commission approved the proposal.[7]

In light of the Commission's approval of these changes to the LULD Plan, including new Overnight Price Bands, FINRA now proposes several amendments to Rule 11892.

In general, Rule 11892 describes the process by which a FINRA officer may, on his or her own motion, review any over-the-counter transaction involving an exchange-listed security and declare any such transaction null and void if the officer determines that (A) the transaction is clearly erroneous or (B) such actions are necessary for the maintenance of a fair and orderly market or the protection of investors and the public interest, consistent with the guidelines set forth in the rule. The current rule's central premise is that, if LULD Price Bands under the LULD Plan were available and correct at the time the transaction was executed, the transaction is not eligible for clearly erroneous review. Specifically, Rule 11892(b)(1) currently provides that "[i]f the execution time of the transaction(s) under review is during Normal Market Hours, the transaction will not be reviewable as clearly erroneous" except in certain limited circumstances, including when (A) the transaction is in an NMS Stock that is not subject to the LULD Plan (e.g., rights and warrants), (B) the transaction was executed at a time when LULD Price Bands were not available, or resulted from a member's technology or systems issue that caused the transaction to occur outside the applicable LULD Price Bands, or was executed after the primary

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6 See supra note 5.

7 See Securities Exchange Act Release No. 106042 (August 5, 2026), 91 FR 51515 (August 10, 2026) (Order Granting Approval of the 27th Amendment to the National Market System Plan to Address Extraordinary Market Volatility to Establish Temporary Price Band Protections in Overnight Trading). See also Securities Exchange Act Release No. 106624 (October 7, 2026), 91 FR 65016 (October 13, 2026) (Notice of Filing and Order of Summary Effectiveness on a Temporary Basis Not To Exceed 120 Days of Proposed Twenty-Ninth Amendment to the National Market System Plan To Address Extraordinary Market Volatility To Revise the Time for Calculating the Consolidated Price in Connection With Overnight Trading).

listing market declared a regulatory trading halt, suspension, or pause, or (C) several other limited circumstances.[8] In approving an exchange rule filing adopting substantively similar parameters in 2022, the Commission noted that restricting clearly erroneous review in this way during times when LULD Price Bands were in effect was "consistent with the Act and will further the goal of providing greater certainty to market participants that trades executed within the Price Bands will stand and not be broken…. Thus, the proposal is designed to limit the potential discordance between the LULD mechanism and CEE review process."[9]

Currently, LULD Price Bands are available only during Normal Market Hours, meaning that the restrictions on clearly erroneous review described above apply only during Normal Market Hours. With the introduction of Overnight Price Bands, FINRA now proposes to extend the restrictions on clearly erroneous review to the period when Overnight Price Bands are in place. This proposed change would be consistent with the Commission's rationale described above in approving the prior substantively similar exchange rule filing because it would limit any potential discordance between the LULD mechanism and CEE review during overnight trading hours, providing greater certainty to market participants that trades executed within the Overnight Price Bands will stand and not be broken.

Proposed Change to Rule 11892(a)(1)

To implement this change, FINRA proposes to add several definitions to Rule 11892(a)(1). First, FINRA would add that the term "LULD Protected Hours" includes Normal Market Hours (9:30 a.m. Eastern Time ("E.T.") to 4:00 p.m. E.T.) and Overnight Protected

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8 See Rule 11892(b)(1).

9 See Securities Exchange Act Release No. 95658 (September 1, 2022), 87 FR 55060, 55063 (September 8, 2022) (Order Approving File No. SR-CboeBZX–2022–037). See also Securities Exchange Act Release No. 95939 (September 29, 2022), 87 FR 60421 (October 5, 2022) (Notice of Filing and Immediate Effectiveness of File No. SR-FINRA-2022-027).

Hours, as defined in Section VIII of the LULD Plan. Second, FINRA would define "LULD Price Bands" or "Price Bands" to mean the Price Bands defined in Section V of the LULD Plan (i.e., the Price Bands that apply during Normal Market Hours) and "Overnight Price Bands," as defined in Section VIII of the LULD Plan (i.e., the Price Bands that apply to the Overnight Protected Hours from 9:00 p.m. E.T. through 4:00 a.m. E.T.).[10]

FINRA proposes to amend Rule 11892(a) to replace the phrase "Normal Market Hours (9:30 a.m. Eastern Time to 4:00 p.m. Eastern Time)" with "LULD Protected Hours," to provide that a FINRA officer may, on his or her own motion, review any over-the-counter transaction involving an exchange-listed security occurring outside of LULD Protected Hours or eligible for review pursuant to paragraph (b)(1) of Rule 11892 arising out of or reported through a trade reporting system owned or operated by FINRA or FINRA Regulation and authorized by the Commission, provided that the transaction meets the guidelines set forth in Rule 11892. This change would extend the LULD-based restrictions on clearly erroneous review currently in place during Normal Market Hours to the Overnight Protected Hours.[11]

Proposed Changes to Rule 11892(b)(1)

FINRA proposes to amend Rule 11892(b)(1) to replace the phrase "Normal Market Hours" with "LULD Protected Hours," to provide that "[i]f the execution time of the transaction(s) under review is during LULD Protected Hours, the transaction will not be reviewable as clearly erroneous…" This change would extend the LULD-based restrictions on

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10 The proposed rule change would make non-substantive changes to Supplementary Material .02(b) to Rule 11892, which provides for a certification requirement where a member requests review of a transaction occurring outside of the LULD Price Bands as a result of the member's bona fide technological or systems issue, to incorporate these new definitions of "Price Bands" and "LULD Plan."

11 The proposed rule change would also amend Rule 11892(a) to replace an obsolete reference to the Executive Vice President of FINRA's Market Regulation Department or Transparency Services Department with a reference to the Executive Vice President of FINRA's Market and Regulatory Services Department, reflecting FINRA's current structure.

clearly erroneous review currently in place during Normal Market Hours to the Overnight Protected Hours. [12]

FINRA also proposes to amend Rule 11892(b)(1)(B)'s reference to "Percentage Parameter" to incorporate the Percentage Parameter that applies to Overnight Protected Hours. The amended provision would provide for the applicability of clearly erroneous review if the price of the transaction to buy (sell) that is the subject of the clearly erroneous review is greater than (less than) the Reference Price by an amount that equals or exceeds the applicable Percentage Parameter defined in Appendix A to the LULD Plan (with respect to the Price Bands that apply during Normal Market Hours) or the "Overnight Percentage Parameter" defined in Section VIII of the LULD Plan (with respect to Overnight Protected Hours).

In addition to these changes, FINRA also proposes to make a non-substantive change to Rule 11892(b)(1)(A), substituting the term "LULD Plan" for "the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the 'Limit Up-Limit Down Plan' or 'LULD Plan')," as the "LULD Plan" would be defined in the proposed revision to Rule 11892(a)(1).

Proposed Changes to Rule 11892(b)(2) and (c)(3)

As noted above, current Rule 11892(b)(1)(A) permits clearly erroneous review even during Normal Market Hours when the transaction in question is in an NMS Stock that is not subject to the LULD Plan, e.g., rights and warrants. Such transactions are reviewed as set out in Rule 11892(b)(2), including the Numerical Guidelines set out in the table accompanying Rule 11892(b)(2)(A). FINRA now proposes to introduce a similar provision regarding transactions in

[12] The proposed rule change would also similarly amend the title of paragraph (b)(1) of Rule 11892 to refer to "LULD Protected Hours" rather than "Normal Market Hours."

NMS Stocks not subject to the LULD Plan that are executed during the Overnight Protected Hours; such transactions would be subject to the same Numerical Guidelines as transactions currently occurring outside Normal Market Hours.

The heading of Rule 11892(b)(2) addresses "[r]eview of transactions occurring outside of Normal Market Hours or eligible for review pursuant to paragraph (b)(1)(A)." FINRA proposes to replace "Normal Market Hours" with "LULD Protected Hours" to specify the timeframe of transactions not covered by LULD Price Bands. FINRA further proposes to replace the phrase "eligible for review pursuant to paragraph (b)(1)(A)" (which, in the current rule, means transactions executed during Normal Market Hours in NMS Stocks not subject to the LULD Plan) with "during LULD Protected Hours in NMS Stocks not subject to the LULD Plan." This proposed language would cover transactions in NMS Stocks not subject to the LULD Plan during Normal Market Hours and expand the same treatment to transactions executed in NMS Stocks not subject to the LULD Plan during Overnight Protected Hours. As such, the proposed change is not novel.

FINRA proposes to make conforming changes throughout the rule—namely, in the text of paragraphs (b)(2)(A), (b)(2)(B), (b)(2)(C), and (c)(3).[13] In each case, FINRA proposes to replace the phrase "a transaction executed outside of Normal Market Hours or eligible for review pursuant to paragraph (b)(1)(A) of this Rule" with "a transaction executed outside of LULD Protected Hours or during LULD Protected Hours in NMS Stocks not subject to the LULD Plan."

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[13] Rule 11892(b)(2)(A) – (C) specifies general rules for applying clearly erroneous review to transactions where such review is not precluded by paragraph (b)(1). Rule 11892(c)(3) specifies conditions where FINRA may use a revised Reference Price for the purpose of clearly erroneous review in certain transactions where such review is not precluded by paragraph (b)(1).

FINRA also proposes to make corresponding changes to the headings of the table accompanying Rule 11892(b)(2)(A). FINRA proposes to change the heading of the second column from "Normal Market Hours Numerical Guidelines for Transactions Eligible for Review Pursuant to Paragraph (b)(1)(A)" to "Numerical Guidelines for Transactions Executed During Normal Market Hours in NMS Stocks Not Subject to the LULD Plan." This change would replace "eligible for review pursuant to paragraph (b)(1)(A)" with the fuller description that such transactions are "executed during Normal Market Hours in NMS Stocks not subject to the LULD Plan," and is not a substantive change.

Similarly, FINRA proposes to change the heading of the third column from "Outside Normal Market Hours Numerical Guidelines" to "Numerical Guidelines for Transactions Executed Outside LULD Protected Hours or During Overnight Protected Hours in NMS Stocks Not Subject to the LULD Plan." The proposed change addresses the fact that transactions executed during Overnight Protected Hours in NMS Stocks not subject to the LULD Plan are eligible for clearly erroneous review – just as are transactions in NMS Stocks not subject to the LULD Plan executed during Normal Market Hours – using the Numerical Guidelines that currently apply outside of Normal Market Hours.

Together, these proposed changes would extend the eligibility of clearly erroneous review for transactions in NMS Stocks not subject to the LULD Plan that is currently in place during Normal Market Hours to the Overnight Protected Hours, and would apply the Commission's recent approval of Overnight Price Bands to the clearly erroneous executions rules.

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30

days after the date of filing, so FINRA can implement the proposed rule change on December 6, 2026.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[14] which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

FINRA believes that the proposed rule change is consistent with just and equitable principles of trade because it extends the premise of the current rule—i.e., that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time when the Price Bands were available and correct. Currently, LULD Price Bands are available only during Normal Market Hours, meaning that the restrictions on clearly erroneous review described above apply only during Normal Market Hours. With the introduction of Overnight Price Bands, FINRA believes that extending such restrictions on clearly erroneous review to the period when Overnight Price Bands are in place would remove impediments to and perfect the mechanism of a free and open market and a national market system by enhancing the transparency and consistency of the rule.

The resulting rule would thus extend the LULD-related limits on clearly erroneous review that are applicable in Normal Market Hours to the overnight period. The proposed change would also be consistent with the Commission's rationale in approving the substantively similar prior exchange rule because it would limit any potential discordance between the LULD

[14] 15 U.S.C. 78o-3(b)(6).

mechanism and CEE review in the overnight trading session, providing greater certainty to market participants that trades executed within the Overnight Price Bands will stand and not be broken.[15]

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.[16] Rather than impacting competition, the proposed rule change would extend the premise of the current rule that clearly erroneous review should be generally unavailable any time a transaction is executed within LULD Price Bands at a time the Price Bands were available and correct. FINRA understands that the national securities exchanges have filed or will file similar proposals, the substance of which is substantively similar to this proposal. Thus, the proposed rule change will help to ensure consistency across SROs without implicating any competitive issues.

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

Written comments were neither solicited nor received.

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

FINRA has designated this rule filing as non-controversial under Section 19(b)(3)(A)[17] of the Act and Rule 19b-4(f)(6)[18] thereunder. 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 for 30 days from the date on which it was

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15 See 87 FR 55060, 55063, supra note 9.

16 15 U.S.C. 78o-3(b)(9).

17 15 U.S.C. 78s(b)(3)(A).

18 17 CFR 240.19b-4(f)(6).

filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.[19]

A proposed rule change filed under Rule 19b-4(f)(6)[20] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),[21] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA has asked the Commission to waive the 30-day operative delay to the extent necessary, so that the proposed rule change may become operative upon effectiveness to enable the proposed rule change to become operative on December 6, 2026, when exchanges will commence 23/5 Trading. Waiving the 30-day operative delay in this manner will help to ensure consistency across SROs and avoid confusion. For these reasons, and because the proposed rule change raises no new or novel legal or regulatory issues, the Commission finds that waiver of the operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.[22]

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

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19 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

20 17 CFR 240.19b-4(f)(6).

21 17 CFR 240.19b-4(f)(6)(iii).

22 For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission shall institute proceedings under Section 19(b)(2)(B)[23] of the Act 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 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-FINRA-2026-027 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-FINRA-2026-027. 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 FINRA. 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.

[23] 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-FINRA-2026-027 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.[24]

**Stephanie J. Fouse,**

*Assistant Secretary*.

[24] 17 CFR 200.30-3(a)(12).