SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106042; File No. 4-631]

Joint Industry Plan; Order Granting Approval of the Twenty-Seventh Amendment to the National Market System Plan to Address Extraordinary Market Volatility to Establish Temporary Price Band Protections in Overnight Trading

August 5, 2026.

I. Introduction

On May 27, 2026, Nasdaq, Inc., on behalf of the following parties to the Plan to Address Extraordinary Market Volatility ("Plan" or "LULD Plan") Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934 ("Act" or "Exchange Act")[1]: 24X National Exchange LLC, Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, MIAX PEARL, LLC, Nasdaq Texas LLC, Nasdaq PHLX LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE Texas, Inc., NYSE National, Inc., and The Nasdaq Stock Market LLC (collectively, "Participants"), filed with the Securities and Exchange Commission

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1 See Securities Exchange Act Release Nos. 67091, 77 FR 33498 (June 6, 2012); 68953 (February 20, 2013), 78 FR 13113 (Feb. 26, 2013); 69287 (April 3, 2013), 78 FR 21483 (Apr. 10, 2013); 70273 (August 27, 2013), 78 FR 54321 (September 3, 2013); 70530 (September 26, 2013), 78 FR 60937 (October 2, 2013); 71247 (January 7, 2014), 79 FR 2204 (January 13, 2014); 71851 (April 3, 2014), 79 FR 19687 (April 9, 2014); 74323 (February 19, 2015), 80 FR 10169 (February 25, 2015); 76244 (October 22, 2015), 80 FR 66099 (October 28, 2015); 77679 (April 21, 2016), 81 FR 24908 (April 27, 2016); 78703 (August 26, 2016), 81 FR 60397 (September 1, 2016); 79845 (January 19, 2017), 82 FR 8551 (January 26, 2017); 80455 (April 13, 2017), 82 FR 18519 (April 19, 2017); 80549 (April 28, 2017), 82 FR 20928 (May 4, 2017); 81720 (September 26, 2017), 82 FR 45922 (October 2, 2017); 82887 (March 15, 2018), 83 FR 12414 (March 21, 2018); 83044 (April 12, 2018), 83 FR 17205 (April 18, 2018); 85623 (April 11, 2019), 84 FR 16086 (April 17, 2019); 88122 (February 5, 2020), 85 FR 7805 (February 11, 2020); 88704 (April 21, 2020), 85 FR 23383 (April 27, 2020); 89420 (July 29, 2020), 85 FR 46762 (August 3, 2020); 90068 (October 1, 2020), 85 FR 63322 (October 7, 2020); 101036 (September 16, 2024), 89 FR 77203 (September 20, 2024); 103042 (May 14, 2025), 90 FR 21529 (May 20, 2025); 103845 (September 3, 2025), 90 FR 43254 (September 8, 2025); and 105443 (May 12, 2026), 91 FR 27995 (May 15, 2026).

("Commission") pursuant to Section 11A(a)(3) of the Exchange Act[2] and Rule 608 thereunder,[3] a proposal to amend the Plan ("Amendment No. 27").[4] Amendment No. 27 proposes to establish phased price band protections to overnight trading ("Overnight Protections") in anticipation of overnight trading by certain national securities exchanges.[5]

Notice of filing of Amendment No. 27 was published for comment in the Federal Register on June 4, 2026.[6] The Commission has received no comments regarding the proposed amendment to the Plan. The Commission hereby grants approval of Amendment No. 27.

II. Description of the Plan

The Participants filed the Plan with the Commission on April 5, 2011, to create a market-wide limit up-limit down ("LULD") mechanism intended to address extraordinary market volatility in NMS Stocks, as defined in Rule 600(b)(65) of Regulation NMS under the Exchange Act.[7] The Plan sets forth procedures that provide for market-wide LULD requirements to prevent trades in individual NMS Stocks from occurring outside of the specified Price Bands.[8] These LULD requirements are coupled with Trading Pauses, as defined in Section I(Y) of the Plan, to accommodate more fundamental price moves. In particular, the Participants adopted this Plan to address extraordinary volatility in the securities markets, i.e.,

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2 15 U.S.C 78k-1(a)(3).

3 17 CFR 242.608.

4 See Letter from Andrew Oppenheimer, Head of U.S. Equities, Nasdaq, to Vanessa Countryman, Secretary, Commission, dated May 27, 2026 ("Transmittal Letter"). According to the Transmittal Letter, each of the Participants approved Amendment No. 27 in accordance with Section III(C) of the Plan. The Participants also received and incorporated feedback from the Plan Advisory Committee in preparing Amendment No. 27.

5 Amendment No. 27 is available on the Commission's website at: https://www.sec.gov/files/rules/sro/nms/2026/34-105596.pdf.

6 See Securities Exchange Act Release No. 105596 (June 1, 2026), 91 FR 33774 ("Notice").

7 17 CFR 242.600(b)(65).

8 Unless otherwise stated, capitalized terms used herein are defined in the LULD Plan.

significant fluctuations in individual securities' prices over a short period of time, such as those experienced during the "Flash Crash" on the afternoon of May 6, 2010.

III. Description of Proposed Amendment No. 27 to the Plan[9]

The Participants propose to implement Overnight Protections in two phases. Amendment No. 27 proposes amendments to the Plan that constitute the first phase ("Phase 1"). Amendment No. 27 also discusses how the Participants will gather and analyze information concerning overnight trading that they will use to develop recommendations for a final proposal to be implemented in the overnight session. The final proposal will be submitted to the Commission as a plan amendment that will remove the interim measures and replace them with revised overnight protections ("Phase 2").

In this Amendment, the Participants propose to add a new Section VIII to the Plan, entitled "Overnight Protections," which establishes a framework for calculating and disseminating "Overnight Price Bands" for use during "Overnight Protected Hours" (defined as 9:00 p.m. Eastern Time on Sunday through Thursday to 4:00 a.m. Eastern Time on the next calendar day),[10] and requires all trading centers that are operative during such hours to establish,

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9 Additional information regarding Amendment No. 27 can be found in the Notice. See Notice, supra note 6.

10 See Notice, supra note 6 at 33776. The Participants state that the 9:00 p.m. Eastern Time commencement of the Overnight Protected Hours corresponds to the time at which the Processors will open for overnight trading, thereby ensuring that the LULD mechanism is operative from the moment overnight trading activity becomes available through the consolidated market data infrastructure. The Participants further state that the 4:00 a.m. Eastern Time conclusion of the Overnight Protected Hours was selected to accommodate the well-established practice of issuers releasing earnings announcements, material corporate disclosures, and other price-sensitive information during pre-market hours in advance of the Regular Trading Session. By terminating Overnight Protected Hours at 4:00 a.m. Eastern Time, the Participants state that they intend for market participants to be able to incorporate newly disclosed information into securities prices without the constraints of pricing bands based on the prior day's activity. See id.

maintain, and enforce written policies and procedures that are reasonably designed to prevent trades outside of such Overnight Price Bands.[11]

The proposed amendments for Phase 1 include the following key aspects:

(1) The Primary Listing Exchange for each NMS Stock will calculate and disseminate to the Processors an Overnight Lower Price Band and an Overnight Upper Price Band to be applied during Overnight Protected Hours for NMS Stocks.[12] The Overnight Price Bands will be based on two reference prices,[13] as adjusted for any relevant corporate actions: (i) the official closing price of a stock as reported by the listing market for such NMS Stock ("Closing Price"); and (ii) the consolidated last round lot sale as of 7:45 p.m. Eastern Time, with the Overnight Lower Price Band being 20% lower than the lower of the reference prices, and the Overnight Upper Price Band being 20% greater than the greater of the reference prices; the Overnight Percentage Parameter for a leveraged ETP will be 20%, multiplied by the ETP's leverage ratio.[14] For NMS Stocks with a Closing Price of less than $1.00, the minimum Overnight Upper Price Band and minimum Overnight Lower Price Band thresholds will each be $1.00 from the applicable reference price; for NMS Stocks with a Closing Price of $1.00 or more, the minimum Overnight Upper Price Band and minimum Overnight Lower Price Band

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11 See id.

12 See id.

13 See id. The Participants state that the use of dual reference prices is designed to mitigate the risks associated with reliance on a single closing price that may become stale or unrepresentative of current market conditions by the time overnight trading commences, and that material information is frequently disseminated after the close of the Regular Trading Session, and post-market trading activity may result in prices that differ meaningfully from the Closing Price. See id. at 33777.

14 See id. at 33776. The Participants selected a Percentage Parameter of 20% for Overnight Price Bands to align with the 20% static band protections currently employed by ATSs for overnight trading. See id. at 33777.

thresholds will each be $3.00 from the applicable reference price.[15] The Minimum Price Band thresholds for a leveraged ETP will be multiplied by the leverage ratio of such product.[16]

(2) Primary Listing Exchanges will transmit the calculated Overnight Price Bands to the Processors no later than 8:55 p.m. Eastern Time, and the Processors will disseminate such bands to the public prior to 9:00 p.m. Eastern Time.[17]

(3) All trading centers in NMS Stocks that are operative during Overnight Protected Hours, must establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent both trades and the display of prices outside the Overnight Price Bands during Overnight Protected Hours.

(4) There will not be automatic Trading Pauses during the Overnight Protected Hours if an Overnight Price Band is hit,[18] however, the Primary Listing Exchange of a stock may declare a Regulatory Halt when warranted to maintain a fair and orderly market, in accordance with its rules, including when orders are consistently being placed outside the bands or the price bands are otherwise limiting price discovery.[19] The Primary Listing Exchange will notify the Processor if it declares a Regulatory Halt.[20] During a Regulatory Halt during Overnight Protected Hours, Participants will reject orders. Any NMS Stock subject to a

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15 See id. at 33776.

16 See id.

17 See id.

18 During Regular Trading Hours, a Primary Listing Exchange must declare a Trading Pause if an NMS Stock does not exit a Limit State with 15 seconds of entry and may declare a Trading Pause if an NMS Stock is in a Straddle State. See LULD Plan Section VII(A)(1).

19 See Notice, supra note 6 at 33776, 33777-78.

20 See id. at 33776. The Participants state that Primary Listing Exchanges anticipate using halt codes currently available within the Processors' specifications. See id. at n.13.

Regulatory Halt during Overnight Protected Hours will not reopen during Overnight Protected Hours.[21]

(5) The proposed amendment also amends Section IV of the Plan to require that trading center policies and procedures comply with the overnight requirements specified in the new Section VIII.[22]

The Participants state that they expect to include information regarding the operations of Phase 1 in the Plan's quarterly reports, commencing with the quarterly report covering the first full quarter of overnight trading.[23] The Participants will report on the evidence gathered on overnight trading together with its proposal for Phase 2 revisions to overnight protections.[24]

Amendment No. 27 proposes to modify the Implementation Section of the LULD Plan to provide that Overnight Protections are expected to commence on December 6, 2026.[25]

IV. Discussion and Commission's Findings

Recent approvals to allow certain exchanges to conduct trading on a 23 hour per day, 5 day per week basis[26] represent an expansion of exchange trading into periods that have

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21 See id. at 33776.

22 See id. Unlike policies at certain ATSs, the proposed amendment does not include guidance regarding how to handle corporate actions during Overnight Protected Hours, as this decision will be left to the discretion of each listing exchange. See id. at n.14.

23 See id. at 33780.

24 See id.

25 See id. at 33799. The Participants state that the operative date of the amendments are subject to certain systems changes by the Processors for the Unlisted Trading Privileges (UTP) Plan and Consolidated Tape Association (CTA) Plan to ensure dissemination of overnight trading bands. See Notice, supra note 6 at 33781. The Participants represent that the Processors are preparing to commence overnight trading on December 6, 2026, and that implementation of proposed Phase 1 is designed to require minimal work from the Participants. See id. at 33777, 33778.

26 See, e.g., Securities Exchange Act Release Nos. 102400 (February 11, 2025), 90 FR 9794 (February 18, 2025) (SR-NYSEARCA-2024-89); 101777 (November 27, 2024), 89 FR 97092 (December 6, 2024); and 105199 (April 10, 2026), 91 FR 20222 (April 15, 2026) (SR-NASDAQ-2025-109). See also Securities Exchange Act Release No. 105206 (April 10, 2026) 91 FR 20213 (April 15, 2026) (SR-CboeEDGX-2026-019).

historically been characterized by lower liquidity, wider spreads, and the potential for increased price volatility. Amendment No. 27 is a first step to address potential extraordinary market volatility between 9:00 p.m. and 4:00 a.m. Eastern Time. For the reasons discussed below, the Commission finds that Amendment No. 27, as proposed, is consistent with the requirements of the Act and the rules and regulations thereunder. Specifically, the Commission finds that Amendment No. 27 is consistent with Section 11A of the Act[27] and Rule 608 thereunder[28] in that the proposal is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, and that it removes impediments to, and perfects the mechanism of, a national market system.

First, the Overnight Protections proposed in Amendment No. 27 are reasonably designed to address extraordinary volatility during a time of reduced liquidity. Establishing price bands helps ensure that overnight trading continues within a limited price range, which should help protect investors that choose to trade during Overnight Protected Hours. The proposed 20% Overnight Price Bands, without automatic trading pauses, is similar to existing price protection mechanisms employed by ATSs that currently operate overnight, which will be familiar to market participants that trade overnight currently. In addition, the two reference prices for setting the bands, including the consolidated last round lot sale as of 7:45 p.m. Eastern Time, account for news and trading activity that happens after the Closing Price is determined. Further, the ability of a Primary Listing Exchange, in its discretion, to call a Regulatory Halt that would remain in place for the duration of the overnight session will allow the markets to resume trading in a trading session following the overnight session where there is likely to be

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27 See 15 U.S.C 78k-1.

28 See 17 CFR 242.608.

more liquidity. Together, these aspects of Amendment No. 27 allow for price discovery to take place during the overnight session while protecting investors from trading at potentially aberrant prices in a low-liquidity overnight trading environment.

Second, Amendment No. 27 establishes uniform protections across all trading centers that operate during Overnight Protected Hours. All trading centers in NMS Stocks that operate during Overnight Protected Hours will be required to establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent both trades and the display of prices outside the Overnight Price Bands during Overnight Protected Hours. This uniformity should help promote fair and orderly markets in NMS Stocks across all trading centers during Overnight Protected Hours.

Third, Amendment No. 27 is a measured, first-step to address extraordinary volatility during overnight trading of NMS Stocks, and it is being implemented as the first step in a two-step phased approach to applying the Plan's investor protections to overnight trading sessions. As noted in the proposal, the Participants intend to gather and analyze information concerning overnight trading and will use that information to develop future recommendations for Plan operation during Overnight Protected Hours.[29]

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[29] The Commission has emphasized the importance of ongoing review and assessment to ensure that the Plan continues to achieve its objective of reducing extraordinary volatility. See, e.g., Securities Exchange Act Release No. 85623 (April 11, 2019), 84 FR 16086 (April 17, 2019) (File No. 4-631). The Commission expects information regarding the operations of Phase 1 to be included in the Plan's quarterly reports, commencing with the quarterly report covering the first full quarter of overnight trading. See Notice, supra note 6 at 33780.

V. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Exchange Act[30] and Rule 608 thereunder,[31] that Amendment No. 27 to the Plan (File No. 4-631) be, and it hereby is, approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

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[30] 15 U.S.C. 78k-1.

[31] 17 CFR 242.608.