

## Comment Deadline Set for Circuit Breaker Rule Proposals

On Friday, May 21st, we issued a briefing that discussed the proposals by the various national securities exchanges and FINRA to adopt uniform “circuit breaker” rules designed to halt trading in S&P 500 stocks that experience a rapid price movement.<sup>1</sup> Generally, trading in a covered stock will pause across U.S. equity markets for five minutes if the stock experiences a 10 percent change in its price over the preceding five minutes. This will enable the markets to attract new trading interest in the stock, establish a reasonable market price for it, and resume trading in a fair and orderly manner. The rules will be effective on a pilot basis through December 10, 2010.

As we stated in Friday’s briefing, the SEC is seeking comment on each exchange’s rule proposal; however, there will only be a short comment period—10 days from the date that each proposal is published in *The Federal Register*. That occurred on Monday, May 24th, meaning that comments for each rule proposal should be submitted on or before June 3, 2010. A decision on whether to approve the circuit breaker rules is expected shortly thereafter.

*The Federal Register* version of each rule proposal can be found via the links that follow:

### Primary Listing Markets

BEIJING	<a href="#">NASDAQ Stock Market</a>
CHARLOTTE	<a href="#">National Stock Exchange</a>
CHICAGO	<a href="#">New York Stock Exchange</a>
GENEVA	<a href="#">NYSE Amex</a>
HONG KONG	<a href="#">NYSE Arca</a>
LONDON	<a href="#">BATS Exchange</a>
LOS ANGELES	<a href="#">CBOE Stock Exchange</a>
MOSCOW	<a href="#">Chicago Stock Exchange</a>
NEW YORK	<a href="#">EDGA Exchange</a>
NEWARK	<a href="#">EDGX Exchange</a>
PARIS	<a href="#">FINRA</a>
SAN FRANCISCO	<a href="#">International Securities Exchange</a>
SHANGHAI	<a href="#">NASDAQ OMX BX</a>

### Other Markets<sup>2</sup>

<sup>1</sup> Winston & Strawn briefing “[Stock Exchanges Propose Stock-by-Stock Circuit Breakers; SEC & CFTC Staffs Issue Initial Joint Report on May 6 Market Events.](#)”

<sup>2</sup> This list includes the Chicago Stock Exchange’s proposed rule, which was not included in Friday’s briefing.

The Financial Services Practice Group of Winston & Strawn represents a broad range of financial institutions on all aspects of their businesses, including regulatory matters, legislative developments and proposals affecting the financial industry. If you have questions regarding the proposed rules, if you need advice with respect to how those rules may affect you, or if you need advice or assistance in preparing comments for submission to the SEC, please contact any of the Winston & Strawn attorneys listed below or your usual Winston & Strawn contact:

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