

Corporate & Financial Weekly Digest

August 12, 2011 by [Daren R. Domina](#)

Trading Pause Pilot Rule Expanded to all NMS Stocks

Co-authored by [Natalya S. Zelensky](#)

Effective August 8, the trading pause pilot rule—which was applicable only to securities included in the S&P 500 Index, the Russell 1000 Index and a list of selected exchange-traded products—was expanded to include all National Market System (NMS) stocks. The expanded trading pause pilot rule requires a threshold move of 30% (or more) to trigger a trading pause for NMS securities where they are priced at \$1.00 or more, and a threshold move of 50% (or more) where such securities are priced less than \$1.00. According to the Financial Industry Regulatory Authority, Inc., the expansion of the trading pause pilot rule applies the trading pause protections against excessive volatility to a wider group of securities, and permits further review and assessment of the operation of trading pauses, including whether alternative measures are appropriate.

Click [here](#) to read Regulatory Notice 11-37.

Katten Muchin Rosenman LLP
Charlotte Chicago Irving London Los Angeles New York Washington, DC