

Corporate & Financial Weekly Digest

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SEC Approves Amendments to FINRA's Single-Stock Circuit Breakers and Potentially Erroneous Trades Rules

On September 10, the Securities and Exchange Commission approved amendments to Financial Industry Regulatory Authority (FINRA) Rule 6121 (Trading Halts Due to Extraordinary Market Volatility). Rule 6121 was originally adopted on June 10 and instituted an individual stock-trading pause (i.e., a single-stock circuit breaker) pilot program. The amendments expand the trading-pause pilot program to include all stocks in the Russell 1000 Index and certain exchange-traded products.

The SEC also approved amendments to FINRA Rule 11892 (Clearly Erroneous Transactions in Exchange-Listed Securities). The amendments seek to provide uniformity in the review process of such potentially erroneous trades. Specifically, the amendments provide for uniform treatment of (1) multi-stock events involving 20 or more securities and (2) transactions that trigger an individual stock trading pause by a primary listing market and subsequent transactions that occur before the trading halt is in effect for over-the-counter trading.

Click [here](#) to read FINRA Regulatory Notice 10-43.

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