

MEMO# 21593

September 13, 2007

NYSE Revises Specialist Price Improvement Parameters

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TO: EQUITY MARKETS ADVISORY COMMITTEE No. 53-07 RE: NYSE REVISES SPECIALIST PRICE IMPROVEMENT PARAMETERS

A proposed rule change filed by the New York Stock Exchange to modify the conditions that govern the ability of the specialists to provide price improvement has become effective upon filing with the Securities and Exchange Commission. [\[1\]](#)

The proposal will amend NYSE Rule 104(e) to allow a specialist to provide algorithmic price improvement to an order – without minimum trade price parameters based on the quotation spread – when the specialist is represented in a “meaningful amount” in the NYSE quote. “Meaningful amount” is defined as at least 1,000 shares for the 100 most active securities on the NYSE (as the NYSE from time to time shall determine), based on average daily volume, and at least 500 shares for all other securities on the NYSE. The proposal will require that a specialist provide price improvement by at least one cent.

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endnotes

[\[1\]](#) SEC Release No. 34-56370 (September 6, 2007). The proposal can be found on the SEC’s website at <http://www.sec.gov/rules/sro/nyse/2007/34-56370.pdf>. Comments on the proposal are due 21 days after the proposal is published in the Federal Register.

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