

MEMO# 12726

October 6, 2000

STOCK MARKETS AGREE TO DISTINGUISH AFTER-HOURS AND REGULAR SESSION TRADES WITH "T" MODIFIER

[12726] October 6, 2000 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 54-00 END OF DAY PRICING FORUM No. 1-00 RE: STOCK MARKETS AGREE TO DISTINGUISH AFTER-HOURS AND REGULAR SESSION TRADES WITH "T" MODIFIER The Securities and Exchange Commission has announced that the stock markets that comprise the Consolidated Tape Association ("CTA")¹ have agreed to implement a plan to help investors distinguish between after-hours and regular session stock trades. Specifically, the CTA is implementing two initiatives to assist pricing vendors and the media in distinguishing after-hours and regular session stock prices. The first initiative involves issuing a daily 4:15 p.m. Eastern market summary that gives a "snapshot" of the market after the end of the regular trading session. The second initiative involves the addition by CTA participants of a mechanism to identify after-hours trades on the consolidated tape. In particular, the CTA participants decided that a "T" modifier should be added to after-hours trade reports.² The "T" modifier will enable pricing vendors and the media to segregate after-hours transactions from end-of-day stock price summaries that reflect regular session trading activity. The CTA plan is in response to a number of complaints the SEC has received from investors and issuers about end-of-day securities prices. According to the SEC, these complaints have arisen due to inconsistencies among market data vendors and the media concerning the timing of their end-of-day snapshots of stock prices, which has ranged from shortly after the end of the regular trading session at 4:00 p.m. Eastern to the end of the consolidated tape operations at 6:30 p.m. Eastern. Ari Burstein Assistant Counsel Attachment (in .pdf format) 1 The CTA acts as the central distributor of the "consolidated tape," a system that reports the latest price and volume data on sales of exchange listed stocks. 2 The Nasdaq Stock Market already uses the "T" modifier to identify after-hours trades.