NYSE Rule Change Requires Ten Minutes Advance Notice of Public Announcement of Dividends or Stock Distributions

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On August 14, 2017, the SEC approved an NYSE rule change that requires listed companies to give notice to the NYSE at least 10 minutes before any public announcement of dividends or stock distributions, even if such announcements occur outside the hours of the Exchange's current immediate release policy. The rule change was effective immediately.

The Exchange's immediate release policy (Sections 202.05 and 202.06 of the NYSE Listed Company Manual (the "Manual")) already requires listed companies to provide notification to the Exchange at least 10 minutes prior to the public release of a dividend or stock distribution announcement during the hours between 7:00 a.m. Eastern Time and market close (usually 4:00 p.m. Eastern Time). During those hours, listed companies are required to call the Exchange's Market Watch department at least 10 minutes before any material news announcement, including stock distributions and dividends.

Additionally, Section 204.12 of the Manual already requires listed companies to give notice to the NYSE of any action related to dividends or stock distributions in relation to a listed stock. Such notice must be at least 10 days in advance of the record date for such events. Section 204.21 also requires 10 days advance notice of the fixing of a date for the taking of a record of shareholders for any purpose.

The effect of the rule change is to amend Sections 204.12 and 204.21 of the Manual to specify that listed companies are to provide 10 minutes advance notice to the Exchange about any dividend or stock distribution announcement made at any time, not just those announcements made in the hours during which the Exchange's immediate release policy is in effect.

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