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PRESS RELEASE

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# SEC Adopts Amendments to Enhance Disclosure of Order Execution Information

FOR IMMEDIATE RELEASE | 2024-32

Washington D.C., March 6, 2024 — The Securities and Exchange Commission today adopted rule amendments that update the disclosure required under Rule 605 of Regulation NMS for order executions in national market system stocks (NMS stocks), which are stocks listed on a national securities exchange. Rule 605 was adopted in 2000 to help the public compare and evaluate execution quality at different market centers.

“In the 24 years since Rule 605 was adopted, our equity markets have been transformed by ever-evolving technologies and business models,” said SEC Chair Gary Gensler. “I am pleased to support this adoption because it will improve transparency for execution quality and facilitate investors’ ability to compare brokers, thereby enhancing competition in our markets.”

The final amendments expand the scope of entities subject to Rule 605, modify the categorization and content of order information required to be reported under the rule, and require reporting entities to produce a summary report of execution quality. The amendments expand the scope of entities that must produce monthly execution quality reports to include broker-dealers with a larger number of customer accounts and single dealer platforms. In addition, the amendments expand the definition of "covered order" to include certain orders submitted outside of regular trading hours, certain orders submitted with stop prices, and certain short sale orders. The amendments will capture more relevant execution quality information for certain order types by requiring statistics to be reported from the time such orders become “executable.”

Further, the amendments change how orders are categorized by order size as well as how they are categorized by order type. As part of the changes to the order size categories, the amendments modify Rule 605 to capture execution quality information for fractional share orders, odd-lot orders, and larger-sized orders. The amendments also modify the time-to-execution categories and require average time to execution to be measured in increments of a millisecond or finer and to be calculated for all orders. In addition, the amendments modify the information required to be reported under the rule, including adding realized spread time horizons and requiring new statistical measures of execution quality, such as average effective divided by quoted spread (a percentage-based metric that represents how much price improvement orders received) and size improvement statistics. Finally, the amendments require all entities subject to Rule 605 to make a summary report publicly available.

The adopting release [is published on SEC.gov](#) and will be published in the Federal Register. The amendments will become effective 60 days after the date of publication of the adopting release in the Federal Register. The amendments have a compliance date of 18 months after the effective date.

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Last Reviewed or Updated: June 28, 2024

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