

Memorandum

Looking Ahead to Extended Trading – SEC Approves Nasdaq’s “23/5” Trading Proposal

April 29, 2026

On April 10, 2026, the SEC approved a proposal¹ by The Nasdaq Stock Market (Nasdaq) to extend trading hours to 23 hours per day, five days per week, a significant expansion of Nasdaq’s current trading hours.

Under the new plan, weekday trading would be divided into two sessions: a “Day Session” from 4:00 a.m. to 8:00 p.m. ET and a “Night Session” from 9:00 p.m. to 4:00 a.m. ET the following day. Between the Day Session and the Night Session, a trading pause from 8:00 p.m. to 9:00 p.m. ET would enable Nasdaq to conduct maintenance and testing and to process dividends, stock splits and other corporate actions pending for the next trading day. The trading week would begin with the Night Session on Sunday at 9:00 p.m. ET.

The Night Session would offer more limited functionality and order types than the Day Session, similar to the limited functionality during Nasdaq’s current 4:00 a.m. to 9:30 a.m. ET pre-market hours session and its 4:00 p.m. to 8:00 p.m. ET post-market hours session. Still, the proposal represents a major shift toward round-the-clock market access. This development reflects the growing demand from investors for greater flexibility and access to U.S. equity markets outside of traditional hours and across global time zones.

The SEC’s approval of Nasdaq’s proposal follows its February 2025 approval of a similar proposal by NYSE ARCA to extend trading to 22 hours per day, signaling regulatory support for the move towards near-continuous trading.² Both NYSE Arca and Nasdaq are targeting a late 2026 launch of their extended trading hours.³ However, neither exchange can do so until certain market infrastructure is in place to enable exchanges to collect, process and disseminate real-time transaction data during extended hours. The Depository Trust & Clearing Corporation (DTCC) must extend its operations to cover the new trading windows, and DTCC has targeted June 2026 to begin operating on a 24/5 basis,⁴ pending SEC approval. Until the necessary infrastructure updates have been approved, exchanges cannot launch extended overnight sessions.

¹ SEC Release No. 34-105199; File No. SR-Nasdaq-2025-109, April 10, 2026. Available [here](#).

² SEC Release No. 34-102400; File No. SR-NYSEARCA-2024-89), February 11, 2025. Available [here](#).

³ NYSE.com – Extended Hours Trading ([Extended Hours Trading](#)); Nasdaq.com – Trading Announcement ([24x5 Trading Announcement | Nasdaq](#))

⁴ DTCC and EY – The Shift to 24x5 Trading. Available [here](#).

The move to extended trading raises several practical and legal considerations for issuers, underwriters and market participants, including:

- *Transaction Documents:* Many agreements and offering documents contain terms that were drafted with traditional trading hours in mind. Counsel should consider whether definitions, conditions and timing provisions would need to be modified for this new trading environment.
- *Disclosure Practices:* Longer trading days may have implications for how and when issuers communicate material information to the market.
- *Market Dynamics:* Extended trading could change the landscape in which capital markets transactions are structured. Shifts in trading patterns and market behavior during non-traditional hours may affect transaction strategy and risk assessment.
- *Regulatory and Compliance Landscape:* Many existing regulations were developed against the backdrop of a defined, limited trading day. The shift may require the SEC, national exchanges and other regulatory bodies to revisit rules that were not designed to function in an extended trading environment.
- *Cross-Border Considerations:* The greater overlap between U.S. and international trading hours could change global trading patterns, including capital flows and cross-border transaction timing.

Simpson Thacher will continue to monitor developments related to extended trading hours and their impact on the capital markets practice.

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