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Public Chatter

# The NYSE Changes Its Related Party Transaction Rule (Again)

A few months ago, I [blogged](#) about four things to do now that the NYSE has changed its related party transaction rule. I had mentioned that parts of the rule change were a sleeper - including the fact that the NYSE's rule change defined "related party transaction" the same way as the SEC's Reg S-K Item 404, but without regard to the \$120,000 transaction value threshold. That decision to not reference the \$120,000 transaction value threshold led companies and practitioners to begin to comb through policies, board charters and governance guidelines to update them for this NYSE rule change. Perhaps an unintended consequence. And perhaps leading to the NYSE to now [change its rule again](#) to essentially reinstate the \$120,000 threshold. That's good news (but maybe a little late for some)! The NYSE's rule change is not yet operative – not until at least 30 days after the rule filing (roughly mid-September). When the proposed rule change becomes operative, it will be amended on the NYSE's website. Note that some companies may still need to amend related party policies to address other parts of the prior rule change - mainly the need for prior review of transactions - but this change should alleviate the need for more changes.

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