

organizations, other broker-dealers, market participants' own proprietary routing systems, and service bureaus. In such an environment, more detailed descriptions of the types of orders Users may enter into the System, such as the changes proposed in this rule filing do not burden competition, because they can succeed in attracting order flow to the Exchange only if they offer investors higher quality and better value than services offered by others. The Exchange reiterates that the proposed rule change to clarify Pegged Order behavior is being proposed in an effort to add consistency to offerings across the Exchange and its affiliates.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and

C. become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act²⁸ and Rule 19b-4(f)(6)²⁹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-CboeBZX-2025-165 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to file number SR-CboeBZX-2025-165. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2025-165 and should be submitted on or before January 13, 2026.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104450; File No. SR-NASDAQ-2025-068]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Modify Certain Initial Listing Requirements

December 18, 2025.

I. Introduction

On September 4, 2025, the Nasdaq Stock Market LLC ("Exchange" or "Nasdaq") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the

Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to modify certain initial and continued listing requirements in Nasdaq Listing Rules 5405, 5505, 5810, and 5815. The proposed rule change was published for comment in the *Federal Register* on September 19, 2025.³ On September 25, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to take action on the proposed rule change.⁵ On December 11, 2025, the Exchange filed Amendment No. 1 to the proposed rule change, which superseded the original proposed rule change in its entirety.⁶ The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

II. Description of the Proposed Rule Change, as Modified by Amendment No. 1⁷

Nasdaq Listing Rules require that a company applying for initial listing on the Exchange must have a minimum Market Value of Unrestricted Publicly Held Shares ("MVUPHS").⁸ For initial

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 103982 (Sept. 16, 2025), 90 FR 45280 ("Notice"). Comments received on the Notice are available at: <https://www.sec.gov/comments/sr-nasdaq-2025-068/srnasdaq2025068.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104057, 90 FR 47028 (Sept. 30, 2025). The Commission designated December 18, 2025, as the date by which the Commission shall approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change. *See id.*

⁶ Amendment No. 1 to the proposed rule change revised the proposal by: (1) removing the proposed modifications to Nasdaq Rules 5810 and 5815 that would have accelerated suspension and delisting of any company that becomes non-compliant with certain quantitative listing requirements and has a market value of listed securities of less than \$5 million for a period of 10 consecutive business days ("Accelerated Suspension and Delisting Proposal"); (2) providing additional description and support for certain aspects of the proposal; and (3) making other technical and non-substantive changes for readability. The full text of Amendment No. 1 can be found on the Commission's website at: <https://www.sec.gov/comments/sr-nasdaq-2025-068/srnasdaq2025068-683867-2114774.pdf>.

⁷ All capitalized terms not otherwise defined in this order shall have the meanings set forth in the Nasdaq Listing Rules.

⁸ Unrestricted Publicly Held Shares are shares that are not held by an officer, director, or 10% shareholder of the company and which are not subject to resale restrictions of any kind. *See* Nasdaq Rule 5005(a)(46). *See also* Nasdaq Rules 5005(a)(23), 5005(a)(35), 5005(a)(38), and 5005(a)(47) for the definitions of "Market Value," "Publicly Held Shares," "Restricted Securities,"

²⁸ 15 U.S.C. 78s(b)(3)(A).

²⁹ 17 CFR 240.19b-4(f)(6).

³⁰ 17 CFR 200.30-3(a)(12).

listing on the Nasdaq Global Market, a company must have a minimum MVUPHS of \$8 million under the Income Standard, \$18 million under the Equity Standard, and \$20 million under either the Market Value or Total Assets/Total Revenue Standards.⁹ For initial listing on the Nasdaq Capital Market, a company must have a minimum MVUPHS of \$5 million under the Net Income Standard, and \$15 million under either the Equity or Market Value of Listed Securities Standards.¹⁰

The Exchange recently modified the liquidity requirements for the initial listing of companies listing in conjunction with an IPO such that shares registered for resale are no longer counted for purposes of satisfying the minimum MVUPHS requirement.¹¹ As a result, a new company listing in connection with an IPO must meet the MVUPHS requirement based on shares being sold in the offering.¹² The Exchange states that, following this change, it has observed an increase in the number of companies applying for initial listing based on Nasdaq's net income-based requirements, which require a lower MVUPHS than the other standards.¹³ The Exchange states that it has observed problematic trading in companies with low public floats and liquidity, and the Exchange is concerned that companies initially listing with just \$5 million or \$8 million

and "Unrestricted Securities." The Exchange states that, like other liquidity requirements, the MVUPHS standard is meant to ensure that there is sufficient liquidity to provide price discovery and support an efficient and orderly market for the company's securities. *See* Notice, *supra* note 3, at 45281.

⁹ See Nasdaq Rules 5405(b)(1)(C), 5405(b)(2)(C), 5405(b)(3)(B), and 5405(b)(4)(B).

¹⁰ See Nasdaq Rules 5505(b)(1)(B), 5505(b)(2)(C), and 5505(b)(3)(C). For a Company listing in connection with an initial public offering ("IPO"), including through the issuance of American Depository Receipts, these requirements must be satisfied from the offering proceeds. *See* Nasdaq Rules 5405(b)(1)(C), 5405(b)(2)(C), 5405(b)(3)(B), 5405(b)(4)(B), 5505(b)(1)(B), 5505(b)(2)(C), and 5505(b)(3)(C).

¹¹ See Securities Exchange Act Release No. 102622 (Mar. 12, 2025), 90 FR 12608 (Mar. 18, 2025) (SR-NASDAQ-2024-084) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Modify Certain Initial Listing Requirements).

¹² The Exchange states that when it made this change, it did not increase any of the numeric requirements for MVUPHS under any of the listing standards. *See* Notice, *supra* note 3, at 45281.

¹³ *See id.* The Exchange states that, prior to the new rule taking effect, less than one-third of companies on the Nasdaq Capital Market listed under the Net Income Standard. *See id.* at 45281, n.7. Since March 2025, when the change requiring companies to satisfy the MVUPHS requirement by proceeds of the IPO took effect, nearly three-quarters of companies listing on the Nasdaq Capital Market have listed under the Net Income Standard. *See* Amendment No. 1, *supra* note 6, at 6, n.11.

MVUPHS on the Nasdaq Capital or Global Market, respectively, may not trade in a manner supportive of price discovery.¹⁴

Accordingly, the Exchange proposes to modify Nasdaq Rule 5505(b)(3)(C) to increase the minimum MVUPHS for companies listing under the Net Income Standard on the Nasdaq Capital Market from \$5 million to \$15 million.¹⁵ The Exchange also proposes to modify Nasdaq Rule 5405(b)(1)(C) to increase the minimum MVUPHS for companies listing under the Income Standard on the Nasdaq Global Market from \$8 million to \$15 million.¹⁶ The Exchange states that it believes that these proposed changes will help ensure that there is a sufficient initial pool of liquidity available to support liquid trading on the Exchange.¹⁷

The Exchange states that the proposed change will become operative 30 days after approval by the Commission.¹⁸

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹⁹ In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,²⁰ which requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The development and enforcement of meaningful listing standards²¹ for an exchange is of critical importance to

¹⁴ *See* Notice, *supra* note 3, at 45281.

¹⁵ The Exchange states that this change will align the MVUPHS requirement across all of the initial listing standards on the Nasdaq Capital Market. *See id.*

¹⁶ The Exchange states that this change will avoid having a lower standard on the Nasdaq Global Market than on the Nasdaq Capital Market. *See id.*

¹⁷ *See id.*

¹⁸ *See id.* at 45282.

¹⁹ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78(f).

²⁰ 15 U.S.C. 78(f)(5).

²¹ The Commission notes that this reference to "listing standards" is referring to both initial and continued listing standards.

financial markets and the investing public. Among other things, such listing standards help ensure that exchange-listed companies will have sufficient public float, investor base, and trading interest to provide the depth and liquidity to promote fair and orderly markets. Meaningful listing standards also are important given investor expectations regarding the nature of securities that have achieved an exchange listing, and the role of an exchange in overseeing its market and assuring compliance with its listing standards.²²

The Exchange has proposed to make more rigorous certain of its initial listing standards for the Nasdaq Global Market and Nasdaq Capital Market to address recent market observations²³ and help ensure that an adequate level of liquidity exists for securities that are listing on the Exchange. As discussed above, the Exchange's proposal will align the initial listing standards for minimum MVUPHS on the Nasdaq Capital Market by increasing the requirement for companies listing under the Net Income Standard from \$5 million to \$15 million.²⁴ The Exchange's proposal will also increase the minimum MVUPHS under the Income Standard on the Nasdaq Global Market from \$8 million to \$15 million, thus ensuring that the net income-based standard on the Nasdaq Global Market is not lower than the standard on the Nasdaq Capital Market.²⁵

According to the Exchange, companies listing under different initial

²² See, e.g., Securities Exchange Act Release Nos. 88716 (Apr. 21, 2020), 85 FR 23393 (Apr. 27, 2020) (SR-NASDAQ-2020-001) (Order Approving a Proposed Rule Change To Modify the Delisting Process for Securities With a Bid Price at or Below \$0.10 and for Securities That Have Had One or More Reverse Stock Splits With a Cumulative Ratio of 250 Shares or More to One Over the Prior Two-Year Period); 88389 (Mar. 16, 2020), 85 FR 16163 (Mar. 20, 2020) (SR-NASDAQ-2019-089) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend Rule 5815 To Preclude Stay During Hearing Panel Review of Staff Delisting Determinations in Certain Circumstances). *See also* Securities Exchange Act Release No. 81856 (Oct. 11, 2017), 82 FR 48296, 48298 (Oct. 17, 2017) (SR-NYSE-2017-31) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Listed Company Manual To Adopt Initial and Continued Listing Standards for Subscription Receipts) (stating that "[a]dequate standards are especially important given the expectations of investors regarding exchange trading and the imprimatur of listing on a particular market" and that "[o]nce a security has been approved for initial listing, maintenance criteria allow an exchange to monitor the status and trading characteristics of that issue . . . so that fair and orderly markets can be maintained").

²³ See *supra* note 13 and accompanying text.

²⁴ See *supra* note 15 and accompanying text.

²⁵ See *supra* note 16 and accompanying text.

listing requirements that meet the \$15 million MVUPHS requirement are less likely to be subject to volatile trading than similarly situated companies that meet the lower requirement for companies listing under the net income-based standard.²⁶ The Exchange states that the MVUPHS is an indicator of sufficient liquidity to help provide price discovery and reduce volatility.²⁷ However, based on observed problems with the trading of smaller companies, the Exchange states that it no longer believes it is appropriate to require such a significantly lower liquidity threshold for companies simply because they have a minimum level of net income, as opposed to companies that qualify for initial listing based on an equity or market value standard.²⁸

The Exchange's proposal is reasonably designed to enhance its initial listing standards, particularly those involving issuers with low public float and liquidity, thereby protecting investors and the public interest. The proposal reasonably addresses a gap in the Exchange's liquidity requirements for initial listing that potentially allows issuers that may not have sufficient levels of liquidity to list on the Exchange. Accordingly, the proposal should help to ensure that the Exchange lists only securities with a sufficient public float, investor base, and trading interest to provide the depth and liquidity to promote fair and orderly markets.²⁹ For these reasons, the

²⁶ See Notice, *supra* note 3, at 45282.

²⁷ See Amendment No. 1, *supra* note 6, at 6.

²⁸ See Notice, *supra* note 3, at 45282. See also *supra* note 8. One commenter stated that the proposal should be approved and that it supported the proposed change to initial listing requirements "directionally insofar as it closes a loophole." Letter from Jeffrey Starr, Managing Director, Head of Operations, Charles Schwab & Co., dated Dec. 16, 2025 ("Schwab Letter"). This commenter stated that the Exchange should raise the initial listing criteria for listing on the Nasdaq Capital Market and adjust the minimum standards for all tiers upwards accordingly. *See id.* at 3. These additional recommendations are not before the Commission in the proposal being considered herein.

²⁹ The Commission also received comment letters addressing the Accelerated Suspension and Delisting Proposal and raising other concerns related to issues in trading exchange-listed low-priced stocks that fail to meet continued listing standards. *See* Schwab Letter; Letters from Katie Kolchin, CFA, Managing Director, Head of Equity & Options Market Structure, and Gerald O'Hara, Vice President & Assistant General Counsel, SIFMA, dated Nov. 14, 2025; Stephen John Berger, Managing Director, Global Head of Government & Regulatory Policy, Citadel Securities, dated Dec. 3, 2025. *See also* Letter from Kenneth E. Bentzen Jr., President & CEO, SIFMA, dated Sept. 18, 2025, at 4, n.13. The Exchange stated that it is considering the commenters' proposed enhancements to the Accelerated Suspension and Delisting Proposal, and intends to resubmit a proposal to promptly suspend and delist companies that fail to meet minimum

Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act.

IV. Solicitation of Comments on Amendment No. 1 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether the proposed rule change, as modified by Amendment No. 1, is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or

- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2025-068 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-NASDAQ-2025-068. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2025-068 and should be submitted on or before January 13, 2026.

V. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as

market value requirements. *See* Amendment No. 1, *supra* note 6, at 4, n.4. As discussed above, Amendment No. 1 removed the Accelerated Suspension and Delisting Proposal from the proposed rule change. *See supra* note 6. Thus, the areas of concern raised by the commenters are not before the Commission in the proposal being considered herein. In approving this proposal, the Commission is finding the proposal before us consistent with the Act.

modified by Amendment No. 1, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the **Federal Register**.

Amendment No. 1 narrows the scope of the proposed rule change and sets forth additional support and detail regarding the proposal. These changes include (1) removing the Accelerated Suspension and Delisting Proposal; (2) providing additional description and support for certain aspects of the proposal; and (3) making other technical and non-substantive changes for readability. Amendment No. 1 does not alter any substantive provisions of the remaining parts of the proposed rule change from what is set forth in the Notice, which was subject to public comment.³⁰

The Commission finds that Amendment No. 1 does not raise any novel regulatory issues that have not previously been subject to comment and is reasonably designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,³¹ to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³² that the proposed rule change (SR-NASDAQ-2025-068), as modified by Amendment No. 1, be and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Sherry R. Haywood,
Assistant Secretary.

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³⁰ The one commenter that addressed the proposed increase to initial listing requirements supported that aspect of the proposal. *See supra* note 28. The other comments received on the Notice focused on the Accelerated Suspension and Delisting Proposal, which has been removed. *See supra* note 29.

³¹ 15 U.S.C. 78s(b)(2).

³² *Id.*

³³ 17 CFR 200.30-3(a)(12).