

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-99512; File No. SR-NASDAQ-2024-004)

February 9, 2024

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Listing Rules 5815 and 5820 to Modify the Deadline to Submit the Required Fee for a Hearing Request and to Remove Obsolete Language

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 30, 2024, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Listing Rules 5815 and 5820 to modify the deadline to submit the required fee for a hearing request and to remove obsolete language.

The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to align the deadline to request a hearing contained in Rule 5815(a)(1) with the deadline to submit the hearing fee in Rule 5815(a)(3) so that both requirements are seven calendar days. Under the current rule, a company must request a hearing within seven calendar days of a Staff Delisting Determination, Public Reprimand Letter, or written denial of an initial listing application, but is allowed 15 calendar days to submit the required hearing fee. The extended period to submit the hearing fee was adopted originally to allow time for companies to mail checks for the payment. However, technology has become more efficient, and companies now can easily and inexpensively submit the required payment by wire or other electronic means, so there is no longer a need to wait for checks to be mailed and received. As such, Nasdaq proposes to modify the rule to require payment of the required \$20,000 hearing fee within seven calendar days of the Staff Delisting Determination, Public Reprimand Letter, or written denial of an initial listing application to reflect the ease and speed with which payments may be made by wire or other electronic means. The change also will avoid circumstances where a company benefits from remaining listed for an additional eight calendar days after a hearing request is made due to a Staff Delisting Determination if the required fee is not ever submitted.³

³ Rule 5815(a)(2) provides that if a company fails to timely request a hearing to review a Delisting Determination, the Hearings Department will take action to suspend trading of the securities and follow procedures to delist the securities. Delisting will also commence if a timely hearing request is made but the required fee is not paid timely.

The proposed rule change would also remove from Rules 5815(a)(3) and 5820(a) obsolete language that describes the fees applicable for hearings before a Hearings Panel and appeals to the Listing Council requested before February 10, 2023.

The proposed rule change will become operative for Staff Delisting Determinations, Public Reprimand Letters, or written denials of an initial listing application issued after March 1, 2024. This will help assure that all affected companies have timely notification of the change in the deadline to submit the fee.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ in particular, in that it is designed 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, by shortening the current 15-day deadline for the hearing fee payments to align with the seven-day window for a company to request a hearing. This change reflects the ease and speed with which payments may be made by wire or other electronic means. This also will avoid circumstances where a company benefits from remaining listed for an additional eight calendar days after a hearing request is made for review of a Staff Delisting Determination if the required fee is not ever submitted.⁶ The proposed change to eliminate obsolete language from the rules will have no substantive impact but will enhance the readability of the Exchange's rulebook.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ See footnote 3, supra.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposal does not have a competitive impact. The proposal merely aligns the time to request a hearing with the time to pay the required fee, with both being seven calendar days, and improves the readability of the Exchange's rulebook by removing obsolete language that is no longer applicable. Each of these changes will affect all listed companies in the same manner and will have no impact on intramarket competition. In addition, the proposed rule change relates only to Nasdaq's review process and will have no impact on intermarket competition because other markets are free to structure their review processes as they see fit.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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)(iii) of the Act⁷ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁸

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 shall institute proceedings to determine whether the proposed rule 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-NASDAQ-2024-004 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-2024-004. 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 submission, all subsequent amendments, all written statements with respect to the

proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also 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-2024-004 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Sherry R. Haywood,

Assistant Secretary.

⁹ 17 CFR 200.30-3(a)(12).