

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105747; File No. SR-NASDAQ-2026-004]

## Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1, to Adopt a New Continued Listing Requirement

June 22, 2026.

On January 13, 2026, 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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt a new Market Value of Listed Securities continued listing requirement of at least \$5 million. The proposed rule change was published for comment in the Federal Register on January 29, 2026.<sup>3</sup> On March 11, 2026, the Commission designated a longer period within which to take action on the proposed rule change.<sup>4</sup> On April 28, 2026, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act<sup>5</sup> to determine whether to approve or disapprove the proposed rule change.<sup>6</sup>

On June 18, 2026, the Exchange filed with the Commission Amendment No. 1 to the proposed rule change as described in Items I and II below, which Items have been prepared by

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 104688 (Jan. 26, 2026), 91 FR 3935. Comments received on the proposed rule change are available at: <https://www.sec.gov/rules-regulations/public-comments/sr-nasdaq-2026-004>.

<sup>4</sup> See Securities Exchange Act Release No. 104968, 91 FR 12631 (Mar. 16, 2026). The Commission designated April 29, 2026, as the date by which the Commission should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change. See id.

<sup>5</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>6</sup> See Securities Exchange Act Release No. 105333, 91 FR 23495 (May 1, 2026).

the Exchange. Amendment No. 1 replaces and supersedes the proposed rule change as originally filed. The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

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

The Exchange proposes adopting a new Market Value of Listed Securities continued listing requirement of at least \$5 million. The text of the proposed rule change is available on the Exchange’s Website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rulefilings>, and at the principal office of the Exchange.

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 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

Nasdaq is filing this Amendment No. 1 to SR-NASDAQ-2026-004<sup>7</sup> in order to: (i) expand the scope of the Hearings Panel discretion in the Initial Proposal to provide that, where appropriate, the Hearings Panel may grant an exception for a company to regain compliance by demonstrating within 180 days that the company meets all initial listing requirements; (ii)

---

<sup>7</sup> Securities Exchange Act Release No. 94592 (April 4, 2026), 84 FR 20905 (April 8, 2026) [sic] (the “Initial Proposal”).

address comments submitted during the comment period following the OIP, as defined below; and (iii) make minor technical changes to improve the structure, clarity and readability of the proposed rules. This amendment supersedes and replaces the Initial Proposal in its entirety.

Nasdaq is proposing to adopt Listing Rules 5450(a)(3) and 5550(a)(6) to require companies listed on the Nasdaq Global and Capital Markets, respectively, to maintain a minimum Market Value of Listed Securities<sup>8</sup> (MVLS) of at least \$5 million. Nasdaq is also proposing to amend Rule 5810, to suspend trading and immediately delist from Nasdaq securities of companies that do not satisfy the proposed new requirements, and Rule 5815, to set forth the procedures for requesting a hearing before a Hearings Panel,<sup>9</sup> as defined below, and the scope of the Hearings Panel's discretion.

Nasdaq rules have minimum requirements for companies to remain listed and generally provide compliance periods for companies that fail to maintain compliance with those rules. The compliance periods are designed to allow time for companies to take action to come back into compliance for a company facing temporary business issues, a temporary decrease in the value of its securities, or temporary market conditions. However, Nasdaq has observed that some companies, typically those in financial distress or experiencing a prolonged operational downturn, are unable to regain compliance with the listing requirements for the long-term. The market typically identifies these companies and investors lose interest in the companies, resulting in their having low market values.

---

<sup>8</sup> Listing Rule 5005(a)(23) defines Market Value as the consolidated closing bid price multiplied by the measure to be valued; Listing Rule 5005(a)(22) defines Listed Securities, in relevant part, as securities listed on Nasdaq.

<sup>9</sup> See footnote 8 below.

Nasdaq believes that once the market identifies significant problems in a company by assigning a very low market value, that company is no longer appropriate for continued listing and trading on Nasdaq because the challenges facing such companies, generally, are not temporary and may be so severe that the company is not likely to regain compliance within a compliance period and sustain compliance thereafter. Moreover, it is more difficult for market makers to make markets in these securities and for there to be a fair and orderly market.

Nasdaq now proposes to enhance investor protections by providing for suspension from Nasdaq trading and immediate delisting of any company that has a sustained MVLS of less than \$5 million. To effect this change, Nasdaq proposes to adopt Listing Rules 5450(a)(3) and 5550(a)(6) to require companies listed on the Nasdaq Global Market (including the Global Select Market)<sup>10</sup> and the Nasdaq Capital Market, respectively, to maintain a minimum MVLS of at least \$5 million. Nasdaq also proposes to modify Listing Rule 5810(c)(1) to add an additional type of deficiency that results in immediate delisting and suspension from trading of the company's securities. Specifically, Listing Rule 5810(c)(1) will provide that staff's delisting notice will inform the company that its securities are immediately subject to suspension and delisting when a company fails to meet the continued listing requirement for MVLS of at least \$5 million under proposed Rule 5450(a)(3) or 5550(a)(6) for a period of 30 consecutive business days.

Listing Rule 5810(c)(3) currently identifies deficiencies for which the rules provide a specified cure or compliance period. Nasdaq proposes to modify Listing Rule 5810(c)(3)(C) to provide that a company will not be entitled to such cure or compliance period if the company

---

<sup>10</sup> After initial inclusion on the Nasdaq Global Select Market, a Company will remain on the Nasdaq Global Select Market provided it continues to meet the applicable requirements of the Listing Rules, including the continued listing requirements contained in the Rule 5400 Series, the requirements of the Rule 5100 Series, and the qualitative requirements of Rule 5200 and 5600 Series. See Listing Rule 5305(e).

failed to meet the MVLS requirement of at least \$5 million under proposed Rule 5450(a)(3) or 5550(a)(6), as applicable.

Finally, as described above, Nasdaq proposes to modify Listing Rule 5810(c)(1) to provide that staff's delisting notice in these circumstances will inform the company that its securities are immediately subject to suspension and delisting from trading on Nasdaq. Once the company is issued a Staff Delisting Determination under Rule 5810 with respect to that security, such a determination can be appealed to a Nasdaq Listing Qualifications Hearings Panel (the "Hearings Panel").<sup>11</sup> A company may request review of that Staff Delisting Determination before a Hearings Panel and, generally, any such review will stay the delisting of the company's security. However, given the difficulties with maintaining fair and orderly markets in such low value companies, Nasdaq believes that it is not appropriate for such a company to continue trading on Nasdaq during the pendency of the Hearings Panel review process. Instead, Nasdaq proposes to amend Rule 5815 to provide that the company's securities will be suspended from trading on Nasdaq during the pendency of the Hearings Panel's review.

Specifically, Nasdaq proposes to adopt Listing Rule 5815(a)(1)(B)(ii)f. to provide that, notwithstanding the general rule that a timely request for a hearing shall ordinarily stay the suspension and delisting action pending the issuance of a written panel decision, a request for a hearing shall not stay the suspension of the securities from trading where the matter relates to a request made by a company that received a Staff Delisting Determination due to a failure to maintain MVLS of at least \$5 million under Rule 5450(a)(3) or 5550(a)(6) for a period of 30 consecutive business days. As a result, a company that fails to satisfy the proposed \$5 million

---

<sup>11</sup> See Rule 5815.

MVLS rule could appeal the Staff Delisting Determination to a Hearings Panel, but its securities would generally trade in the over-the-counter market while that appeal is pending.

Listing Rule 5815(c) sets forth the scope of the Hearings Panel's discretion and provides that when the Hearings Panel review is of a deficiency related to continued listing standards, in most cases the Hearings Panel may, where it deems appropriate, take certain actions including granting an exception to the continued listing standards for a period not to exceed 180 days, and finding the company has regained compliance with all applicable listing standards. However, Listing Rule 5815(c)(1)(H) currently prevents the Hearings Panel from granting an exception to the continued listing standards nor considering facts indicating that the company has regained compliance in certain circumstances.<sup>12</sup> Nasdaq believes it would enhance investor protection to similarly limit the Hearings Panel's review of these issues to the questions of whether: (i) Nasdaq Staff made a factual error applying the applicable rule; or (ii) an exception is appropriate for the company to regain compliance by demonstrating the company meets all initial listing requirements. Accordingly, Nasdaq proposes to adopt Listing Rule 5815(c)(1)(I) to provide that in the case of a company that received a Staff Delisting Determination due to a failure to maintain MVLS of at least \$5 million under Rule 5450(a)(3) or 5550(a)(6), the Hearings Panel may reverse a delisting decision only where the Hearings Panel determines that the Staff Delisting Determination letter was in error and that the company never failed to satisfy the applicable requirement. Where the Hearings Panel deems appropriate, it may also grant an exception for a period not to exceed 180 days from the Staff Delisting Determination for the

---

<sup>12</sup> See Rule 5815(c)(1)(H) discussing failures to satisfy (i) the requirement set forth in Rule IM-5101-2(b) and Rule 5452(a)(3) to complete one or more business combinations within 36 months of the effectiveness of its IPO registration statement; and (ii) the requirements for initial listing immediately following a business combination as required by Rule IM-5101-2. In these situations, the Hearings Panel may only reverse a delisting decision where the Hearings Panel determines that the Staff Delisting Determination letter was in error and that the company never failed to satisfy the requirement.

company to demonstrate that it meets all requirements for initial listing. Nasdaq believes that by requiring companies whose MVLS fell below \$5 million for 30 consecutive business days to satisfy the initial listing requirements, which are higher than the continued listing requirements, will allow a company whose operational and financial difficulties were temporary to remain listed and provide a level of certainty that the company will not immediately fall out of compliance with the proposed \$5 million MVLS requirement or any other requirement for continued listing.

#### Comment Letters

On April 28, 2026, the Commission issued an order instituting proceedings (OIP) pursuant to Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the Initial Proposal. In the OIP, the Commission reviewed previously submitted comments and solicited additional comments on “whether the proposal includes sufficient analysis to support a conclusion that the proposal to immediately suspend and delist companies that fail to comply with the MVLS Requirement, to maintain the suspension of such companies’ securities from trading during the pendency of an appeal to the Hearings Panel, and to limit the Hearings Panel’s discretion to reverse a delisting decision to circumstances involving a factual error is designed to be consistent with the requirements of Section 6(b)(5) and Section 6(b)(7) of the Act or raises any new or novel concerns not previously contemplated by the Commission.”<sup>13</sup>

In response to its solicitation of comments in the OIP, as of June 15, 2026, the Commission received comments from the Security Traders Association, Better Markets, OTC Markets Group, PTG, Securities Industry and Financial Markets Association, and Citadel

---

<sup>13</sup> Securities Exchange Act Release No. 105333 (April 28, 2026), 91 FR 23495 at 23498 (May 1, 2026) (footnotes omitted).

Securities in support of the Initial Proposal<sup>14</sup> and comments from law firms,<sup>15</sup> three listed companies<sup>16</sup> and the Small Public Company Coalition<sup>17</sup> opposing the Initial Proposal (collectively with law firms and listed companies, the “Objecting Commenters”).

As a preliminary matter, Nasdaq acknowledges the position taken by some of the Objecting Commenters that some companies with a low market capitalization may meaningfully recover and therefore their continued listing on the Exchange maybe appropriate. Accordingly, in this Amendment No. 1, as described above, Nasdaq now proposes to modify the Initial Proposal, which would have prevented a Hearings Panel from reinstating a company that failed to maintain a minimum of \$5 million MVLS. Instead, Nasdaq now proposes to adopt Listing Rule 5815(c)(1)(I) to provide that in the case of a company that received a Staff Delisting Determination due to a failure to maintain MVLS of at least \$5 million under Rule 5450(a)(3) or 5550(a)(6), the Hearings Panel where it deems appropriate, may grant an exception for a period not to exceed 180 days from the Staff Delisting Determination for the company to demonstrate that it meets all requirements for initial listing. Nasdaq believes that this approach appropriately balances the Exchange’s obligation to protect investors while allowing a company whose operational and financial difficulties are indeed temporary to demonstrate to an independent

---

<sup>14</sup> See Letters from Benjamin L. Schiffrin, Director of Securities Policy, Better Markets, Inc. (May 22, 2026) (the “Better Markets letter”), James Toes, President & CEO, and Kevin Skarbek, Chairman, Security Traders Association (May 22, 2026) (the “STA letter”), R. Cromwell Coulson, President and CEO, OTC Markets Group Inc. (May, 28, 2026), Joanna Mallers, Secretary, PTG (May 29, 2026), Katie Kolchin, CFA Managing Director, Head of Equity & Options Market Structure, and Gerald O’Hara Vice President & Assistant General Counsel, SIFMA (June 2, 2026) and Stephen John Berger, Managing Director, Global Head of Government and Regulatory Policy, Citadel Securities (June 12, 2026).

<sup>15</sup> See Letters from Foley Shechter Ablovatskiy LLP (May 20, 2026), Blank Rome LLP (May 21, 2026), Sullivan & Worcester LLP (May 22, 2026, and June 3, 2026), Lucosky Brookman LLP, Law Firm (May 22, 2026).

<sup>16</sup> See Letters from James Foster, Chief Executive Officer, Virax Biolabs Group Limited (May 4, 2026), Cary Claiborne, Chief Executive Officer, Adial Pharmaceuticals, Inc. (May 21, 2026), and Andrew Simpson, Chief Executive Officer, HeartSciences, Inc.(May 22, 2026).

<sup>17</sup> See Letters from Marc Indeglia, The Small Public Company Coalition (May 22, 2026, and June 5, 2026).

Hearings Panel that continued listing is appropriate. With this change, Nasdaq believes that the revised proposal addresses concerns raised by several commentators arguing that the Initial Proposal did not accommodate scenarios where situational factors result in temporary declines in a company's valuation are unrelated to its actual financial health.

Several commenters raised concerns regarding the removal of the automatic stay of suspension pending Hearings Panel review. Nasdaq continues to believe that immediate suspension from trading for a company that failed to maintain \$5 million MVLS threshold over 30 consecutive business days is appropriate. The Commission previously held that prospective investors in a Nasdaq security are "entitled to assume that the securities in [Nasdaq] meet [Nasdaq's] standards. Thus, the presence in [Nasdaq] of non-complying securities could have a serious deceptive effect."<sup>18</sup> It was for this reason that the Commission concluded that "[t]hough exclusion from [Nasdaq] may hurt existing investors, primary emphasis must be placed on the interests of prospective future investors."<sup>19</sup> In support of the immediate suspension of securities from trading in these circumstances, the STA letter states that they "strongly disagree[] with the assertion that automatic delisting for failing to maintain the \$5 million MVLS requirement for 30 consecutive business days will cause severe and irreversible harm to affected companies by moving them to the over-the-counter ("OTC") markets... The notion that delisting to the OTC markets equates to a death sentence for *viable businesses* is inaccurate and ignorant." The letter from OTC Markets makes similar points. Nasdaq's own experience supports the view that companies can take action to regain compliance while trading in the OTC market. Specifically, Nasdaq rules already provide for the suspension of companies during the review process in

---

<sup>18</sup> In the Matter of Tassaway, Inc., Securities Exchange Act Release No. 11291, 45 SEC 706 (March 13, 1975).

<sup>19</sup> Id.

several other circumstances.<sup>20</sup> Companies subject to these rules have regained compliance and have resumed trading on Nasdaq.

Nasdaq also continues to believe that it is appropriate to issue a Staff Delisting Determination to a company for failure to maintain MVLS of at least \$5 million over 30 consecutive business days. One commenter urging the Commission to disapprove the Initial Proposal stated: “[i]f fraud or manipulation risk is disproportionately concentrated among particular issuer profiles, a targeted, risk-based response focused on those characteristics would be more precise and far less damaging than a blanket market-value trigger applied to all issuers regardless of domicile, governance structure, or compliance history.”<sup>21</sup> A commenter responded to this argument stating that “[t]his argument misses the central reality of how price manipulation occurs. The defining characteristic of ramp-and-dump schemes is the perpetrators’ ability to exert meaningful control over the security’s price. Securities most susceptible to such manipulation are precisely those with low publicly available floats, which is the exact condition created by persistently low MVLS. This high-risk profile of low publicly available floats has been explicitly recognized by Congress, the Commission, FINRA, and the FBI as inherently vulnerable to price manipulation.”<sup>22</sup> Another commenter similarly stated that “smaller issuers are more susceptible to fraud and manipulation than larger issuers, because their trading markets are thinner and less sophisticated (i.e., less institutional shareholding and analyst monitoring).”<sup>23</sup> Nasdaq agrees.

---

<sup>20</sup> See Listing Rule 5815(a)(1)(B)(ii).

<sup>21</sup> Letter from Marc Indeglia, President, Small Public Company Coalition, to Vanessa Countryman, Secretary, U.S. Securities and Exchange Commission (Feb. 19, 2026).

<sup>22</sup> STA letter.

<sup>23</sup> Better Markets letter.

Nasdaq also continues to believe that providing a cure period is not appropriate where a company failed to maintain MVLS of at least \$5 million over 30 consecutive business days. As noted in the STA Letter, delisting is triggered “only after an issuer remains below the minimum MVLS threshold for 30 consecutive business days, which is itself a meaningful persistence requirement. That feature helps distinguish sustained deterioration from temporary volatility. Once that condition is met, Nasdaq may reasonably conclude that continued exchange trading poses heightened risks of manipulation, investor confusion, and diminished market quality, and that an additional cure period would unnecessarily prolong those risks.” Nasdaq agrees.

Finally, several commenters stated that the \$5 million MVLS threshold, coupled with automatic suspension after 30 consecutive business days, could increase the potential for manipulative trading and market abuse in an effort to drive down the value of a company’s stock, causing a company to be delisted. Nasdaq notes that market manipulation is illegal. Nasdaq believes that if Objecting Commenters are in possession of evidence indicating that federal securities laws are violated, they should submit such evidence to the appropriate authorities for investigation and enforcement. As further explained below, the Commission previously stated that it is “has toughened its rules including through the adoption of ... [the “naked” short selling antifraud rule], and is vigilant about taking actions against alleged wrongdoers.”<sup>24</sup> Moreover, Nasdaq and other exchanges already have a multitude of price-based listing requirements, approved by the Commission, all of which could be accused of encouraging the same type of activity. These standards include requirements related to bid or closing price and, market value of publicly held shares or market value of public float, and market value of listed securities. In fact, another exchange already has a requirement providing for immediate suspension if a

---

<sup>24</sup> “Key Points About Reg SHO,” available at: <https://www.sec.gov/investor/pubs/regsho.htm>.

minimum market capitalization is not maintained.<sup>25</sup> Despite these existing standards the Objecting Commenters provide no actual evidence of the activities they speculate will occur with respect to the proposed MVLS requirement.

Relatedly, several commenters portrayed the MVLS requirement as one that is affected by a multitude of factors - thus, either stating or implying that because many of the factors are outside the company's control, MVLS is not a reliable indicator of the company's performance. Nasdaq notes that MVLS is determined based on two values – the total number of securities issued and outstanding of the listed class and the market value of the security.<sup>26</sup> The former is entirely within the company's control. With regard to the latter, telling is the Regulation SHO related Q&A from the Commission, where the Commission notes: "...There are many reasons why a stock may decline in value. ... The main factor determining the demand for a stock is the quality of the company itself. Often, the price decrease is a result of the company's poor financial situation rather than the reasons provided by the insiders or promoters."<sup>27</sup> Nasdaq agrees with the Commission that the value of a company is based primarily on the company's prospects, and that a MVLS of below \$5 million is therefore a good indication that continued listing is not appropriate. Nasdaq further believes that the ability of a Hearings Panel to allow a company an exception to remain listed for up to 180 days to demonstrate compliance with the initial listing requirements adequately addresses those instances where a company's troubles are, in fact, temporary or caused by other factors. Nasdaq believes that requiring companies in these circumstances to satisfy the initial listing requirements, which are higher than the continued listing requirements, will provide a level of certainty that the company will not immediately fall

---

<sup>25</sup> See Section 802.01B of the NYSE Listed Company Manual.

<sup>26</sup> See footnote 4, above.

<sup>27</sup> "Key Points About Reg SHO," available at: <https://www.sec.gov/investor/pubs/regsho.htm>.

out of compliance with the proposed \$5 million MVLS requirement or any other requirement for continued listing.

Several commenters also raised a variety of related arguments intended to show that the proposed rule change will make it more difficult for the affected companies to raise capital. Nasdaq readily acknowledges that the objectives of Section 6(b)(5) of the Exchange Act<sup>28</sup> governing Nasdaq listing rules includes capital formation - in particular, the Listing Rules are 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. Section (6)(b)(5) of the Exchange Act also requires that Nasdaq's rules be designed to protect investors and the public interest. Nasdaq believes that this proposal is consistent with Section 6(b) of the Exchange Act and appropriately balances the goals of capital formation and investor protection by setting a transparent threshold where sustained trading under that threshold results in suspension of trading and delisting of the securities. Nasdaq also believes that any incidental burden on affected companies is necessary to better protect prospective investors, in furtherance of a central purpose of the Exchange Act.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>29</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>30</sup> 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. Specifically, Nasdaq believes that the proposal to adopt Listing

---

<sup>28</sup> 15 U.S.C. 78f(b)(5).

<sup>29</sup> 15 U.S.C. 78f(b).

<sup>30</sup> 15 U.S.C. 78f(b)(5).

Rules 5450(a)(3) and 5550(a)(6) requiring companies listed on the Nasdaq Global (including the Nasdaq Global Select) and Nasdaq Capital Markets, respectively, to maintain a minimum MVLS of at least \$5 million and the proposal to suspend from Nasdaq trading and immediately delist any company that becomes non-compliant with this requirement are designed to promote just and equitable principles of trade and, in general to protect investors and the public interest by enhancing Nasdaq's listing requirements and limiting the time that a security can remain listed and trade on Nasdaq in these circumstances. In that regard, Nasdaq has observed that the challenges facing such companies generally are not temporary and may be so severe that the company is not likely to regain and maintain compliance with continued listing requirements. Moreover, the concerns with MVLS of less than \$5 million with these companies can be a leading indicator of other listing compliance concerns, and these companies often become subject to delisting for other reasons. Additionally, Nasdaq believes that securities of companies with such low MVLS have a greater chance of being manipulated or experiencing trading volatility because less capital may be required to undertake manipulative trading activity. Further, not allowing the listing and trading of these companies to continue is designed to promote just and equitable principles of trade and, in general to protect investors and the public interest because it is more difficult to maintain fair and orderly markets in such securities.

Nasdaq also believes that the proposal to amend Listing Rule 5815(a)(1)(B)(ii) to provide that a hearing request shall not stay the suspension of the securities from trading when the matter relates to a request made by a company that received a Staff Delisting Determination due to non-compliance with the MVLS requirement of at least \$5 million for a period of 30 consecutive business days is designed to protect investors and the public interest. In particular, this provision will prevent continued trading on Nasdaq in such company's securities unless an independent

Hearings Panel reviews the Staff Delisting Determination and determines that it was issued in error and that the company never failed to satisfy the applicable requirement. In addition, as described above, Nasdaq believes that once the market identifies significant problems in a company by assigning a very low market value, that company is no longer appropriate for continued trading on Nasdaq because challenges facing such companies, generally, are not temporary and may be so severe that the company is not likely to regain and sustain compliance. Additionally, as stated above, Nasdaq believes that trading in securities of companies with low market value carries a greater risk of manipulation because less capital may be required to undertake manipulative trading activity. Moreover, it is more difficult for market makers to make markets in these securities and for there to be a fair and orderly market.

Finally, Nasdaq believes the proposed rule changes further the objectives of Section 6(b)(7) of the Act in that the rules continue to provide a fair procedure for companies subject to these enhanced listing requirements. These companies can seek review of a Staff Delisting Determination from a Hearings Panel and can appeal the Hearings Panel decision to the Nasdaq Listing and Hearing Review Council.<sup>31</sup> Where the Hearings Panel deems appropriate, it may grant an exception for a period not to exceed 180 days from the Staff Delisting Determination for the company to demonstrate compliance with the initial listing requirements. As a result, Nasdaq believes that the proposed rule appropriately balances the need for appropriate listing standards with the statutory requirement to protect investors and the public interest.

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. While

---

<sup>31</sup> See Listing Rules 5815 and 5820, respectively.

Nasdaq does not believe there will be any impact on competition from the proposed change, any impact on competition that does arise will be necessary to better protect investors, in furtherance of a central purpose of the Act.

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. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including 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](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2026-004 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-2026-004. 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 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-2026-004 and should be submitted on or before [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>32</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

---

<sup>32</sup> 17 CFR 200.30-3(a)(12).