

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105860; File No. SR-NASDAQ-2026-057]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 4120 Regarding Regulatory Halts for Corporate Actions and Issuer-Related Events

July 8, 2026

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 June 29, 2026, 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 Rule 4120 (Limit Up-Limit Down Plan and Trading Halts) to set forth specific requirements for halting and resuming trading in a security that is subject to certain corporate actions, as described below. 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In conjunction with plans for operating 23 hours a day, 5 days a week (“23/5 Trading”),³ the Exchange proposes to amend Rule 4120 to set forth specific requirements for halting trading in a security for which Nasdaq is the primary listing market that is subject to certain issuer-related corporate actions and for resuming trading in that security using the Nasdaq Halt Cross.⁴ The Exchange believes that the proposed rules will expand on the framework already in place with respect to the Exchange’s authority to declare a mandatory regulatory halt in advance of a reverse stock split, thereby providing greater transparency and clarity with respect to the situations in which trading certain securities subject to issuer-related corporate actions will be halted and the process through which that halt will be implemented and terminated.

The Exchange understands that the other Primary Listing Exchanges plan to implement

³ See Securities Exchange Act Release No. 105199 (April 10, 2026), 91 FR 20222 (April 15, 2026) (SR-NASDAQ-2025-109) (“Nasdaq 23-5 Approval Order”).

⁴ The “Nasdaq Halt Cross” is the process for determining the price at which Eligible Interest shall be executed at the open of trading for a halted security and for executing that Eligible Interest. See Rule 4753(a)(4). “Eligible Interest” shall mean any quotation or any order that has been entered into the system and designated with a time-in-force that would allow the order to be in force at the time of the Halt Cross. See Nasdaq Rule 4753(a)(5).

substantially identical versions of this rule to ensure consistent treatment of corporate actions across the market.

Background

In 2023, the Commission approved the Exchange’s filing establishing the Exchange’s authority to declare a mandatory regulatory halt in a security for which the Exchange is the Primary Listing Market when that security is subject to a reverse stock split.⁵ Specifically, the Exchange proposed halting such a security before the end of the Post-Market Hours on the day immediately before the effective date of a reverse stock split, with trading to resume with a Nasdaq Halt Cross at 9:00 a.m. Eastern Time (“ET”)—instead of 4:00 a.m. ET—on the next trading day. The Exchange noted that because it processes reverse stock splits overnight, having the security reopen for trading at 4:00 a.m. raised the “potential for errors resulting in a material effect on the market resulting from market participants’ processing of the reverse stock split, including incorrect adjustment or entry of orders.”⁶ The Exchange explained that this concern could be rectified by imposing a trading halt, “which would prohibit pre-market trading immediately after a reverse stock split and open trading in such securities” at 9:00 a.m. instead of 4:00 a.m.⁷ The Exchange further noted that imposing such a trading halt and deferring the opening of the security until 9:00 a.m. would “allow for Nasdaq and market participants to better detect any errors or problems with orders for the security resulting from the reverse stock split before trading in the security begins and thereby avoid any material effect on the market.”⁸ In

⁵ See Securities Exchange Act Release No. 98878 (Nov. 7, 2023), 88 FR 78081 (Nov. 14, 2023) (SR-NASDAQ-2023-036) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of Proposed Change, as Modified by Amendment No. 1, Relating to Nasdaq Rules 4120 and 4753) (“Reverse Stock Split Approval Order”).

⁶ See Reverse Stock Split Approval Order, *supra* note 5, 88 FR at 78081.

⁷ *Id.* at 78082.

⁸ *Id.* at 78082.

approving the proposal, the Commission noted that the proposal was “designed to promote fair and orderly trading on the Exchange by reducing the potential for order entry or other system-related errors associated with a reverse stock split in a security for which Nasdaq is the Primary Listing Market.”⁹

With the launch of 23/5 Trading later this year, the concerns that led the Exchange to adopt a regulatory halt framework for reverse stock splits will likewise arise with respect to a broader set of corporate actions. Under the current market structure, the Exchange processes these corporate action-related changes and updates for listed securities during overnight hours, when the Exchange is closed to trading. Other market participants, including broker-dealers, likewise use that overnight period to process corporate action-related information and adjust quotes, orders, and related instructions accordingly.

Under 23/5 Trading, however, Nasdaq’s non-trading window will be reduced to a one-hour pause.¹⁰ Consequently, Nasdaq will no longer have a substantial non-trading window during which it can process such corporate actions without potentially impacting ongoing trading. These corporate actions require coordinated updates across Exchange and market participant systems—including adjustments to orders, quotes, and related instructions—to ensure orderly trading and accurate pricing and execution in the affected security. With only a one-hour pause between trading days, neither the Exchange nor other market participants would have sufficient time to process and incorporate corporate action-related information—such as adjustments to systems, orders, quotes, and related instructions—without the risk that trading could occur in the affected

⁹ Id. at 78084.

¹⁰ The Exchange’s 23/5 Trading operations will include a one-hour pause between 8:00 p.m. and 9:00 p.m. Eastern Time, as discussed in the Nasdaq 23/5 Approval Order. That pause, however, is primarily intended to accommodate systems and other maintenance activities, rather than to provide a window for the coordinated processing of the more complex issuer-related corporate actions as proposed herein. See Nasdaq 23/5 Approval Order, supra note 3.

security based on incomplete or inconsistent information. In short, the continued trading of securities undergoing such corporate actions could potentially result in price dislocations, investor confusion, erroneous executions, and general operational risk.

To address these concerns, the Exchange proposes to build on the framework established under Rule 4120(a)(15) for reverse stock splits by extending that rule’s mandatory regulatory halt requirement to additional corporate actions that, much like reverse stock splits, require a clearly defined and transparent pause in trading to permit coordinated processing. As proposed, under 23/5 Trading, if a security is affected by any of the corporate actions enumerated in the proposal, the Exchange would implement a mandatory regulatory halt¹¹ in that security before the start of the Night Session at 9:00 p.m. Eastern Time (“ET”), and trading would resume with a Nasdaq Halt Cross at 8:00 a.m. ET.¹² The Exchange believes these changes would provide important operational safeguards by ensuring that both the Exchange and market participants have adequate time to process such corporate actions in a nearly continuous trading environment, thereby preserving a protection that has historically been implicit in a market structure with limited trading hours.

Proposed Rule Change

Implicit in Rule 4120(a)(15) is the recognition that certain corporate actions—such as reverse stock splits—require a clearly defined and transparent pause in trading to permit their coordinated processing and thereby avoid the risks associated with concurrent trading in the affected security while that processing is underway. The same principle applies to the categories

¹¹ Notification of the declaration and termination of the proposed regulatory halt would be provided in accordance with Exchange Rule 4120.

¹² As described below, the Exchange also proposes a conforming change to move the time for the Nasdaq Halt Cross that reopens trading after a reverse stock split regulatory halt to 8:00 a.m. ET, from the current time of 9:00 a.m. ET.

of corporate actions addressed in this proposal, particularly in the context of nearly continuous trading.

In the context of 23/5 Trading, the Exchange has determined—based on discussions both internal and with industry participants, including the other Primary Listing Markets—that, similar to reverse stock splits, certain other corporate actions require a clearly defined and transparent pause in trading to facilitate their coordinated processing by the Exchange and other market participants before orderly trading may resume in the affected security.

Specifically, the Exchange believes that the following issuer-related corporate actions are analogous to reverse stock splits with respect to processing requirements and thus warrant analogous treatment with respect to their categorization and regulatory response: (1) changes in trading symbol; (2) changes in CUSIP number; (3) stock dividends equal to at least 25% of the Nasdaq Official Closing Price;¹³ (4) stock splits (including forward and reverse stock splits); (5) De-SPAC transactions; (6) spin-off transactions; (7) security-type changes; (8) mergers or similar mandatory exchanges of shares; and (9) any other corporate action or issuer-related event not enumerated above, for which the Exchange determines that a regulatory halt is appropriate for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest, as described below. Like reverse stock splits, these corporate actions all involve non-discretionary changes to core security characteristics that require synchronized updates across Exchange and market participant systems.

Accordingly, the Exchange proposes to amend Rule 4120(a)(15) and make certain conforming changes to incorporate such corporate actions into the regulatory framework

¹³ The Nasdaq Closing Cross price is the Nasdaq Official Closing Price for NMS stocks that participate in the Nasdaq Closing Cross.

established for corporate actions consisting of reverse stock splits as follows. First, the Exchange proposes to amend Rule 4120(a)(15) to extend the current reverse stock split regulatory halt framework¹⁴ to the categories of other corporate actions discussed above that, in addition to reverse stock splits, would be subject to the mandatory regulatory requirements of that rule.

The Exchange then proposes to amend Rule 4120(a)(15) to enumerate, in a new subparagraph (A) thereof, the nine categories of corporate actions discussed above that would be subject to a mandatory regulatory halt under Rule 4120(a)(15). As proposed, the nine categories of enumerated corporate actions subject to a mandatory regulatory halt would consist of the following corporate actions: (1) trading symbol changes;¹⁵ (2) changes in CUSIP;¹⁶ (3) dividends equal to at least 25% of the Nasdaq Official Closing Price (“NOCP”);¹⁷ (4) forward (and reverse)

¹⁴ To extend the framework under Rule 4120(a)(15) to the categories of corporate actions described in this proposal, the Exchange further proposes to amend Rule 4120(a) to delete, from subparagraph (15) of the rule, the words “before the end of the Post-Market Hours on the day immediately before the market effective date of a reverse stock split” and substitute therefor the words “that is the subject of an issuer corporate action or other issuer-related event referenced in subparagraph (A) hereof after the end of Post-Market Hours and before 9 p.m. ET on the day immediately preceding the market effective date of such issuer corporate action or issuer-related event. A security subject to an issuer corporate action or issuer-related event Regulatory Halt pursuant to Rule 4120(a)(15) will resume trading pursuant to the Nasdaq Cross Halt mechanism under Rule 4753 at 8:00 a.m. ET on the market effective date of such corporate action or issuer-related event.” The Exchange further proposes to provide, in a new subparagraph (A) to Rule 4120(a)(15) that “[f]or purposes of this rule, the following shall be deemed corporate actions or issuer-related events subject to the mandatory Regulatory Halt provisions of Rule 4120(a)(15).” The Exchange believes that the proposed changes are appropriate because they would bring the proposed categories of corporate actions within the established regulatory halt framework governing reverse stock splits and enhance clarity and transparency with respect to both the implementation of the regulatory halt and the resumption of trading in the affected security. As discussed below, the proposed changes with respect to the timing for implementation of the regulatory halt as well as its termination are conforming in nature.

¹⁵ As proposed, Rule 4120(a)(15)(A)(1) would define changes to any “Trading Symbol” as “a change in the issuer’s trading symbol.” See proposed Rule 4120(a)(15)(A)(1).

¹⁶ As proposed, Rule 4120(a)(15)(A)(2) would define changes in “CUSIP” as “[a] change in the issuer’s Committee on Uniform Securities Identification Procedures (“CUSIP”).” See proposed Rule 4120(a)(15)(A)(2).

¹⁷ As proposed, Rule 4120(a)(15)(A)(3) would define “Dividend” transactions as “[s]tock dividends, whether payable in cash, stock, or another security of the issuer (or a subsidiary or other affiliate of the issuer), or any combination thereof, other than stock splits or similar adjustments described in paragraph (4), where Nasdaq determines that such dividend has an aggregate value per share that is equal to at least 25% of the Nasdaq Official Closing Price (“NOCP”) of the affected security on the date immediately preceding the ex-

stock splits;¹⁸ (5) De-SPAC transactions;¹⁹ (6) spin-off transactions;²⁰ (7) security-type changes;²¹ (8) mergers/mandatory exchanges;²² and (9) other corporate actions or issuer-related events not specifically enumerated in (1)-(8) above as more particularly described below.²³

Specifically, proposed Rule 4120(a)(15)(A)(9) would require the Exchange to declare a regulatory halt for any other corporate action or issuer-related event not enumerated in (1)-(8) above for which the Exchange determines, based on the totality of the circumstances and any information available to it, including, without limitation, information obtained from the issuer,

date of such dividend; provided, however, that if no such NOCP is available, Nasdaq shall use the most recent available NOCP for such shares (or other securities).” See proposed Rule 4120(a)(15)(A)(3).

¹⁸ As proposed, Rule 4120(a)(15)(A)(4) would define “Forward, Reverse Stock Splits” as “[a]ny stock split or similar adjustment that affects the number of outstanding shares of an issuer or changes the relative equity ownership of holders of such shares, including any forward or reverse stock split, subdivision, reclassification, or combination of shares, or any similar transaction that has the effect of adjusting the number of outstanding shares or the relative equity ownership of holders, whether effected pursuant to a fixed or variable exchange ratio or otherwise, and whether occurring as a stand-alone action or in conjunction with any other corporate action or issuer-related event.” See proposed Rule 4120(a)(15)(A)(4).

¹⁹ As proposed, Rule 4120(a)(15)(A)(5) would define a “De-SPAC” transaction as “[a]ny De-SPAC transaction, as that term is defined in Item 1601(a) of Regulation S-K.” See proposed Rule 4120(a)(15)(A)(5).

²⁰ As proposed, Rule 4120(a)(15)(A)(6) would define a “Spin-off” transaction as “[a]ny transaction in which an issuer distributes to its security holders, on a pro rata basis, (i) equity securities of a subsidiary or other business that is separated into a new or existing standalone issuer or (ii) any different class of securities.” See proposed Rule 4120(a)(15)(A)(6).

²¹ As proposed, Rule 4120(a)(15)(A)(7) would define a “Security Type Change” as “[a]ny change in the form, type, class, or designation of a listed security, including, without limitation, (i) American Depositary Receipts or American Depositary Shares (“ADR”/“ADS”) to ordinary shares (and ordinary shares to ADR/ADS); (ii) conversions between ordinary shares and common stock (in either direction); and (iii) similar transactions.” See proposed Rule 4120(a)(15)(A)(7).

²² As proposed, Rule 4120(a)(15)(A)(8) would define a “Merger/Mandatory Exchange” as “[a]ny merger, consolidation, statutory share exchange, or similar business combination or corporate action that results in the affected security being mandatorily exchanged, converted, redeemed, or cancelled for cash, securities, or other consideration (including an exchange into securities of a successor issuer); provided, however, that this paragraph (8) does not include transactions that solely effect a change in the issuer’s (company) name without a mandatory exchange of the affected security.” See proposed Rule 4120(a)(15)(A)(8).

²³ As proposed, Rule 4120(a)(15)(A)(9) would define any “Other Corporate Action or Issuer-Related Event” as “[a]ny other corporate action or issuer-related event not enumerated in (1)-(8) above for which the Exchange determines, based on the totality of the circumstances and any information available to it, including without limitation information obtained from the issuer, that a Regulatory Halt is necessary or appropriate for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest.” See proposed Rule 4120(a)(15)(A)(9).

that a regulatory halt is necessary or appropriate for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest.

This residual provision is designed to capture issuer-related corporate actions that, while not enumerated in Rule 4120(a)(15)(A)(1)–(8), raise operational or market integrity concerns comparable to those actions. Once the Exchange determines that such a corporate action warrants a regulatory halt based on its application of the standards in Rule 4120(a)(15)(A)(9),²⁴ implementation of the regulatory halt would be required. Accordingly, the provision is intended to promote consistent regulatory treatment across comparable corporate actions and to preserve transparency and uniformity in the application of the proposed framework in a 23/5 Trading environment.

Timing of Corporate Action Regulatory Halts

The Exchange proposes that, under 23/5 Trading, the mandatory regulatory halts described above in proposed Rule 4120(a)(15) would be implemented after the conclusion of the Post-Market Hours session and before the start of the Night Session at 9:00 p.m. ET.²⁵ This timing differs from the Exchange’s current process for reverse stock split regulatory halts, pursuant to which the Exchange implements the mandatory regulatory halt at 7:50 p.m. ET, before the end of the Post-Market Hours session, on the day immediately preceding the market effective date of the reverse stock split. That approach has been feasible in the reverse stock split context. This proposal, however, would extend the mandatory regulatory halt framework beyond reverse stock splits to a broader set of corporate actions that, although differing in form, share the need for coordinated systems and reference-data updates before trading may resume in an

²⁴ Such determination would be made by the Exchange’s senior trading and regulatory officials in advance of the corporate action effective date.

²⁵ See Exchange proposed Rule 4120(a)(15).

orderly manner. Because some of those actions may involve entirely new symbols or CUSIPs that would not yet exist at 7:50 p.m. ET on the prior trading day, the Exchange does not believe that the current reverse stock split timing can practicably be applied across the full set of covered corporate actions. The Exchange therefore believes that it is reasonable, in the context of 23/5 Trading, to adopt a single, uniform implementation time for all halts under proposed Rule 4120(a)(15)—after the end of Post-Market Hours and before the beginning of the Night Session at 9:00 p.m. ET—which would facilitate consistent treatment of covered corporate actions and enable the halts to be implemented through an automated process.²⁶ This timing would apply to each of the corporate actions addressed in this filing, as well as to the Exchange’s existing reverse stock split regulatory halt. The proposed change to the timing for the implementation of the reverse stock split regulatory halt is therefore conforming in nature, as it is intended only to align that halt with the trading session structure under 23/5 Trading.

Resumption of Trading After Corporate Action-Related Regulatory Halts

The Exchange proposes that under 23/5 Trading, trading in a security halted pursuant to

²⁶ See Exchange proposed Rule 4120(a)(15). Shifting the implementation time for such regulatory halts from 7:50 p.m. to before 9:00 p.m. would not have a material effect on market participants. The Exchange notes that market participants, including alternative trading systems (“ATs”), would have advance notice of the types of issuer corporate actions addressed in this proposal through Nasdaq’s existing issuer notification, market notice, and public dissemination mechanisms. Under Nasdaq’s existing listing and related rules and procedures, listed issuers are required in various circumstances to provide Nasdaq advance notice of corporate actions and to publicly disclose such events before they become effective. In addition, Nasdaq’s established corporate action processing and market notification procedures generally result in the Exchange receiving notice of, and disseminating information concerning, other covered corporate actions sufficiently in advance of their effectiveness to support the orderly implementation of the proposed halt process. Accordingly, the Exchange believes that ATs and other market participants would have adequate advance awareness of the types of corporate actions addressed by this proposal to make informed business decisions with respect to the affected securities, and that proposed Rule 4120(a)(15) thus provides a transparent and appropriate mechanism for addressing such corporate actions in a 23/5 Trading environment.

proposed Rule 4120(a)(15) would resume at 8:00 a.m. ET²⁷ with a Nasdaq Halt Cross,²⁸ in advance of the Nasdaq Opening Cross at 9:30 a.m. ET.²⁹ This is similar to the Exchange’s current process with respect to reverse stock split regulatory halts, except that the proposal would move the resumption time from 9:00 a.m. ET to 8:00 a.m. ET.

In supporting its reverse stock split-related proposal, the Exchange explained that reopening the security at 9:00 a.m. ET, which is after the end of pre-market trading, “is appropriate . . . because it gives the Exchange an opportunity to review its order book and root out any orders in a security that has undergone a reverse stock split, that have not correctly adjusted to the security’s new stock price.”³⁰

Since the reverse stock split regulatory halt was introduced in 2023, the Exchange has determined that it would be preferable to reopen from a reverse stock split halt at 8:00 a.m. ET instead of 9:00 a.m. ET. That alteration would provide for an additional hour of liquidity formation and price discovery before the 9:30 a.m. ET Nasdaq Opening Cross, while still being consistent with the rationales cited above for reopening trading at a “unique” time. Specifically, the Exchange believes that resuming trading in the affected securities at 8:00 a.m. ET is

²⁷ See proposed Exchange Rule 4120(a)(15). See also Exchange Rule 4120(c)(7) (providing that, for Nasdaq-listed securities that are the subject of a trading halt or pause initiated pursuant to Rule 4120(a)(1), (4), (5), (6), (7), (11), (14), or (15), the Nasdaq Halt Cross shall occur at the time specified by Nasdaq pursuant to Rule 4120, and that, prior to terminating the halt in any such security, there will be a five-minute “Initial Display Only Period” during which market participants may enter quotations and orders in that security into Nasdaq systems). Because the proposal would incorporate the proposed categories of corporate actions into Exchange Rule 4120(a)(15), the Exchange is not proposing to amend this provision.

²⁸ See Exchange Rule 4753(b). The Exchange is proposing to amend Rule 4120(a)(15) to incorporate the proposed categories of corporate actions. Rule 4120(a)(15) is already included among the enumerated provisions subject to the Nasdaq Halt Cross under Rule 4753(b). Accordingly, the Exchange is not proposing to amend Rule 4753(b). As a result, any regulatory halt implemented pursuant to proposed Rule 4120(a)(15), as amended, would resume trading through the Nasdaq Halt Cross.

²⁹ See proposed Exchange Rule 4120(a)(15).

³⁰ See Reverse Stock Split Approval Order, supra note 5, 88 FR at 78083.

appropriate because the proposed pause in trading provides a sufficient and transparent interval for the Exchange and market participants to complete the processing of such corporate actions and the earlier resumption of trading would provide the affected securities with additional price discovery and liquidity formation opportunities before participating in the Nasdaq Opening Cross at 9:30 a.m. ET.

Consistent with that rationale, the Exchange proposes that the securities subject to the mandatory regulatory halts addressed in this filing, including reverse stock splits, would reopen at 8:00 a.m. ET.³¹ To effectuate this change, the Exchange proposes to amend the reopening time for securities subject to a reverse stock split-related regulatory halt to 8:00 a.m. ET (from 9:00 a.m. ET) and to apply that same reopening time (8:00 a.m. ET) to the additional corporate action-related regulatory halts covered under proposed Rule 4120(a)(15). This proposed change is based on the Exchange's experience with reverse stock splits and is designed to promote uniformity and transparency with respect to the resumption of trading in securities subject to a corporate action-related regulatory halt under proposed Rule 4120(a)(15).

In sum, the corporate actions addressed in this proposal raise operational and market integrity concerns in a 23/5 Trading environment that mirror the concerns addressed by the Commission in approving the Exchange's Reverse Stock Split Proposal. Under 23/5 Trading, Nasdaq will no longer have a substantial non-trading window during which it and other market participants can process these corporate actions before trading resumes. With only one hour between trading days, neither the Exchange nor other market participants would have sufficient time to process and incorporate corporate action-related information, resulting in a risk of price dislocations, investor confusion, erroneous executions, and broader operational issues. The

³¹ See proposed Rule 4120(a)(15).

Exchange believes that extending its reverse stock split regulatory framework to the additional corporate actions described herein would appropriately preserve, in a 23/5 Trading environment, the safeguard implicit in the current market structure—specifically, the overnight pause in trading that allows for coordinated processing and related systems and reference-data updates. Accordingly, the proposal would promote fair and orderly trading, mitigate operational risk, and help ensure that trading resumes only after those updates have been completed.

Implementation

The Exchange understands that the other Primary Listing Exchanges plan to implement substantially identical versions of this rule to ensure consistent treatment of corporate actions across the market. The Exchange proposes that the changes in this proposal and in the other Primary Listing Exchanges' similar filings would become operative at the commencement of 23/5 Trading.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,³² in general, and furthers the objectives of Section 6(b)(5) of the Act,³³ 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. The Exchange believes that the proposed rules will provide greater transparency and clarity with respect to the situations in which trading will be halted due to certain corporate actions and the process through which that halt will be implemented and terminated, as discussed below.

³² 15 U.S.C. 78f(b).

³³ 15 U.S.C. 78f(b)(5).

The Exchange believes that extending the reverse stock split regulatory halt framework to the additional, analogous corporate actions addressed in this proposal would promote free and open markets, protect investors, and serve the public interest by helping to ensure fair and orderly markets. Specifically, the proposal would preserve and apply an established, transparent framework for pausing and resuming trading in securities subject to reverse stock splits to certain corporate actions with analogous processing requirements, so that trading in an affected security does not occur before the corporate action has been processed and the related systems and reference-data updates have been completed and applied across the market.

With respect to the specific categories of corporate actions addressed in this proposal, the Exchange believes that it is reasonable and appropriate to extend the regulatory halt framework applicable to reverse stock splits to certain categories of corporate actions with analogous processing requirements, as more specifically described above. Like reverse stock splits, these corporate actions all involve non-discretionary changes to core security characteristics that require synchronized updates across Exchange and market participant systems.

Under the current market structure, an overnight pause in trading has historically provided a defined non-trading window during which the Exchange and other market participants have sufficient time to process such corporate actions in an orderly and coordinated manner prior to the resumption of trading. But in the 23/5 Trading environment, with only one hour of non-trading time between trading days, there is a substantial chance that trading in an impacted security could occur based on incomplete, inconsistent, or partially updated information, giving rise to pricing anomalies, investor confusion, erroneous executions, and heightened operational risk. The Exchange believes the proposed approach promotes fair and orderly markets by helping to ensure that trading resumes only once systems and reference data

concerning these corporate actions have been fully and consistently updated across the marketplace.

With respect to the mandatory regulatory halts specifically enumerated in proposed Rule 4120(a)(15)(A)(1)-(8), if the corporate action falls within the categories enumerated in the rule, Nasdaq will not have discretion about whether to declare a trading halt in the affected security.

In addition, proposed Rule 4120(a)(15)(A)(9) is intended to operate as a residual provision covering issuer-related corporate actions not enumerated in Rule 4120(a)(15)(A)(1)-(8) that nonetheless raise operational or market-integrity concerns comparable to those presented by the enumerated actions. Under that provision, when the Exchange determines, based on the totality of the circumstances and the information available to it, including information obtained from the issuer, that it is necessary or appropriate for the maintenance of fair and orderly markets, the protection of investors, or otherwise in the public interest, it would be required to declare a regulatory halt in that security. Once the Exchange makes that determination, the regulatory halt would be mandatory, thereby avoiding ad hoc treatment once the applicable standard has been met. In that respect, proposed Rule 4120(a)(15)(A)(9) serves as a narrow residual mechanism designed to promote consistent regulatory treatment across comparable corporate actions and to preserve transparency and uniformity in the application of proposed Rule 4120(a)(15) in a 23/5 Trading environment by requiring the Exchange to declare a regulatory halt in such cases. The Exchange therefore believes that it is reasonable and appropriate to extend its authority to declare a regulatory halt in this instance. The Exchange notes that its rules provide the Exchange with authority to implement a regulatory halt.³⁴

³⁴ See, e.g., Exchange Rule 4120(a)(10)(A) (providing that “[t]he Exchange may pause trading during the Night Session at such other times [other than as provided in Rule 4120(a)(10)] as the Exchange in the exercise of its regulatory functions may determine is appropriate”); Exchange Rule 4120(a)(5)(C)

In all cases under proposed Rule 4120(a)(15), a mandatory regulatory halt in the affected security would be implemented after the conclusion of the Post-Market Hours session and before the start of the Night Session at 9:00 p.m. ET on the date immediately preceding the market effective date of the corporate action.

The Exchange also believes it is reasonable and appropriate to use the Nasdaq Halt Cross process under Rule 4753 to reopen trading in a security that is subject to a regulatory halt pursuant to this proposal because it is consistent with the process that Nasdaq currently uses to reopen a security after a reverse stock split regulatory halt, and the operational complexity and processing demands associated with such corporate actions are comparable to those involved regarding reverse stock splits. Furthermore, using the Nasdaq Halt Cross process to reopen trading after regulatory halts addressed in this proposal is consistent with the process that is typically used by Nasdaq when reopening a security that has been halted under Rule 4120. Applying a uniform, previously approved framework enhances transparency and predictability for issuers, investors, and market participants.

The Exchange believes that resuming trading in the corporate action-impacted securities addressed in this proposal at 8:00 a.m. ET would promote fair and orderly markets, protect investors, and serve the public interest by providing the Exchange and market participants sufficient time to process the relevant corporate actions correctly. The Exchange further believes

(providing, in part, that “Nasdaq may halt trading in a security listed on Nasdaq when Nasdaq requests from the issuer information relating to: . . . any other information necessary to protect investors and the public interest”); and Exchange Rule 4120(a)(6) (providing, in part, that Nasdaq “may halt trading in a security listed on Nasdaq when . . . extraordinary market activity in the security is occurring . . .”). See also Securities Exchange Act Release No. 95069 (June 8, 2022), 87 FR 36018 (June 14, 2022) (SR-NASDAQ-2022-017) (approving, among other things, the Exchange’s authority to implement a regulatory halt when necessary to maintain a fair and orderly market in the face of national, regional, or localized disruptions); future Exchange Rule 4120(b)(1).

that resuming trading in the affected securities through a Nasdaq Halt Cross at 8:00 a.m. ET, rather than at 9:30 a.m. ET through a Nasdaq Opening Cross, would provide a more focused reopening window and a better opportunity to identify and address potential order-entry or processing issues before the broader market opening, when thousands of other securities are undergoing their opening process.

The Exchange's proposal to make conforming changes to its existing reverse stock split regulatory halt structure to harmonize the halt time and reopening time with the times proposed in this filing is reasonable and would promote transparency and predictability for issuers, investors, and market participants. As described above, the current practice of implementing a mandatory regulatory halt for a security undergoing a reverse stock split at 7:50 p.m. ET has been feasible in the reverse stock split context, but this proposal would extend the mandatory regulatory halt framework beyond reverse stock splits to a broader set of corporate actions that, although differing in form, share the need for coordinated systems and reference-data updates before trading may resume in an orderly manner. Because some of those actions may involve entirely new symbols or CUSIPs that would not yet exist at 7:50 p.m. ET on the prior trading day, the Exchange does not believe that the current reverse stock split timing can practicably be applied across the full set of covered corporate actions. The Exchange therefore believes that it is reasonable, in the context of 23/5 Trading, to adopt a single, uniform implementation time for all halts under proposed Rule 4120(a)(15)—after the end of Post-Market Hours and before the start of the Night Session at 9:00 p.m. ET—which would facilitate consistent treatment of comparable corporate actions, enhance transparency and predictability for issuers, investors, and market participants, and support the orderly and automated implementation of such halts.

The Exchange also believes that the proposal is consistent with Section 6(b)(5) of the Act

because the Exchange's existing issuer notification, market notice, and public dissemination mechanisms generally provide market participants with advance awareness of the types of corporate actions addressed herein, thereby supporting the orderly implementation of the proposed halt process and helping to protect investors and the public interest.³⁵

Similarly, the Exchange believes its proposal to move the reopening time for a symbol after a reverse stock split regulatory halt to 8:00 a.m. ET from 9:00 a.m. ET would remove impediments to and perfect the mechanism of a free and open market and a national market system by creating uniformity in the reopening times for securities after a corporate action regulatory halt. As discussed above, the Exchange believes that the proposed duration of the regulatory halt is appropriate to permit full processing of the proposed corporate actions and resuming trading in the security at an earlier time, as proposed, would provide the security with opportunities for enhancing price discovery and liquidity before participating in the Nasdaq Opening Cross at 9:30 a.m. ET.

The Exchange notes that these timing harmonization changes are purely conforming and that, by aligning the reverse stock split provisions with the corporate action-related halts described in this filing, the proposal promotes a consistent and harmonized rule structure, enhances transparency and predictability for issuers, investors, and market participants, and reduces the potential for confusion.

Overall, establishing mandatory trading halts for securities that are subject to the corporate actions addressed in this filing and resuming trading thereafter promotes fair and orderly markets and the protection of investors, because it allows the Exchange to protect the broader interests of the national market system and addresses potential concerns that system

³⁵ See supra note 26 and accompanying text.

errors may affect immediate trading in those securities. The Exchange believes that with the advent of 23/5 Trading, the proposed rules will help the Exchange reduce the potential for errors that could have a material effect on the market as a result of the challenge of processing such corporate actions with only a one-hour non-trading window between trading days. As discussed above, in a 23/5 Trading environment, the Exchange will no longer have an overnight trading pause during which it can process corporate actions of the type addressed in this proposal. By extending the existing reverse stock split regulatory halt framework to those categories of corporate actions, the proposal is designed to preserve the safeguards currently afforded by that overnight pause.

For these reasons, the Exchange believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system by mitigating operational and market integrity risks that would otherwise arise in a nearly continuous trading environment. By helping to ensure that trading resumes only after corporate action processing has been completed in an orderly and coordinated manner, the proposed rule change promotes just and equitable principles of trade and protects investors and the public interest, consistent with Sections 6(b) and 6(b)(5) of the Act.

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

The Exchange believes the proposal will not impose a burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change is designed to protect investors and facilitate a fair and orderly market, which are both important purposes of the Act. To the extent that there is any impact on intermarket competition, it is incidental to these objectives.

Rather, the proposed changes will promote competition by ensuring that trading in corporate action-affected securities resumes only when the Exchange has processed corporate

actions in a coordinated manner across Exchange and market participants' systems, consistent with its obligations as a primary listing market, thereby avoiding concurrent trading and potential confusion with respect to the affected securities while such corporate action processing is underway. In addition, the Exchange believes that the proposal does not impose any burden on competition because it applies equally to all issuers and market participants. The proposal builds on an established, uniform, and transparent framework governing the timing of trading halts and resumptions in trading in connection with certain corporate actions and is designed to address operational and market-integrity concerns, rather than competitive considerations. In substance, the proposal preserves an operational safeguard implicit in the current market structure and adapts that safeguard to a nearly continuous trading environment by extending the well-established reverse stock split framework to analogous corporate actions. By helping to ensure that trading resumes only after systems and reference data have been updated in a coordinated manner, the proposal promotes fair and orderly markets and enhances, rather than burdens, competition.

The Exchange does not believe that the proposed rule change imposes a burden on intra-market competition because the provisions apply to all market participants and issuers equally. In addition, information regarding the halting and resumption of trading will be disseminated using several freely accessible sources to ensure the widespread availability of that information.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the

Act³⁶ and Rule 19b-4(f)(6)³⁷ thereunder. 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; or (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) of the Act³⁸ and Rule 19b-4(f)(6)³⁹ 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 under Section 19(b)(2)(B)⁴⁰ of the Act 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

³⁶ 15 U.S.C. 78s(b)(3)(A).

³⁷ 17 CFR 240.19b-4(f)(6).

³⁸ 15 U.S.C. 78s(b)(3)(A).

³⁹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange 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.

⁴⁰ 15 U.S.C. 78s(b)(2)(B).

- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2026-057 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-2026-057. 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-2026-057 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.⁴¹

Sherry R. Haywood,
Assistant Secretary.

⁴¹ 17 CFR 200.30-3(a)(12).