



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104318; File No. SR-NASDAQ-2025-065]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Application of the Minimum Bid Price Rule in Situations Where a Security Does Not Maintain a Closing Bid Price of Greater Than \$0.10 For Ten Consecutive Business Days

December 5, 2025.

I. Introduction

On August 22, 2025, the Nasdaq Stock Market LLC (“Exchange” or “Nasdaq”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to modify the application of the minimum bid price rule in situations where a security does not maintain a closing bid price of greater than \$0.10 for ten consecutive business days. The proposed rule change was published for comment in the Federal Register on September 8, 2025.³ On September 25, 2025, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On November 20, 2025, the Exchange filed Amendment No. 1 to the proposed rule change,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 103846 (Sept. 3, 2025), 90 FR 43251 (“Notice”). The Commission has received no comments on the Notice.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 104052, 90 FR 46999 (Sept. 30, 2025) (designating December 7, 2025, as the date by which the Commission shall either approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change).

which superseded the original proposed rule change in its entirety.⁶ The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

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

Nasdaq Rules require a company's equity securities listed on the Nasdaq Global Select Market, Nasdaq Global Market, and Nasdaq Capital Market to maintain a minimum closing bid price of at least \$1 per share (the "Bid Price Requirement").⁸ Upon failure of a company's security to satisfy the Bid Price Requirement, Nasdaq Rule 5810(c)(3)(A) provides for an automatic compliance period of 180 calendar days from the date Nasdaq notifies the company of the deficiency for the company to achieve compliance with the Bid Price Requirement.⁹ Subject to certain requirements,¹⁰ including notifying Nasdaq of the company's intent to cure this

⁶ In Amendment No. 1, the Exchange: (1) made changes to consistently use the term "business days"; (2) provided additional description of certain aspects of the proposal; and (3) made other technical and non-substantive changes for readability. The full text of Amendment No. 1 can be found on the Commission's website at: <https://www.sec.gov/comments/sr-nasdaq-2025-065/srnasdaq2025065-677607-2075294.pdf>.

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

⁸ Each tier of Nasdaq includes continued listing requirements that specified securities maintain a minimum closing bid price of at least \$1 per share. See Nasdaq Rule 5550(a)(2) (Primary Equity Security listed on the Nasdaq Capital Market), Nasdaq Rule 5555(a)(1) (Preferred Stock and Secondary Classes of Common Stock listed on the Nasdaq Capital Market), Nasdaq Rule 5450(a)(1) (Primary Equity Security listed on the Nasdaq Global or Global Select Markets), and Nasdaq Rule 5460(a)(3) (Preferred Stock and Secondary Classes of Common Stock listed on the Nasdaq Global or Global Select Markets). The Bid Price Requirement does not apply to Other Securities listed pursuant to the Nasdaq Rule 5700 Series, rights, warrants, convertible debt, and subscription receipts.

⁹ A failure to meet the Bid Price Requirement occurs when a company's security has a closing bid price below \$1.00 for a period of thirty consecutive business days. See Nasdaq Rule 5810(c)(3)(A). Compliance can be achieved during any compliance period by meeting the Bid Price Requirement for a minimum of ten consecutive business days during the applicable compliance period, unless Staff exercises its discretion to extend this ten-day period as discussed in Nasdaq Rule 5810(c)(3)(H). See id.

¹⁰ If a company listed on the Nasdaq Capital Market is not deemed in compliance before the expiration of the 180-day compliance period, it will be afforded an additional 180-day compliance period, provided that on the 180th day of the first compliance period it meets the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on the Nasdaq Capital Market (except the Bid Price Requirement) based on the company's most recent public filings and market information and notifies Nasdaq of its intent to cure this deficiency. See Nasdaq Rule 5810(c)(3)(A)(ii). If a company does not indicate its intent to cure the deficiency, or if it does not appear to Nasdaq that it is possible for the company to cure the deficiency, the company will not be eligible for the second compliance period. See id. If the company has publicly announced information (e.g., in an earnings release) indicating that it no longer satisfies the applicable listing criteria, it will not be eligible for the additional compliance period under Nasdaq Rule 5810(c)(3)(A)(ii). See id.

deficiency, a company listed on, or that transfers to, the Nasdaq Capital Market may be provided with a second 180-day compliance period.¹¹ If a company is not eligible for the second compliance period, or the company is eligible but does not resolve the bid price deficiency during the second 180-day compliance period, the company is issued a Staff Delisting Determination under Nasdaq Rule 5810 with respect to that security, which can be appealed to a Nasdaq Listing Qualifications Hearings Panel (“Hearings Panel”).¹² A timely request for a hearing ordinarily stays the suspension of the company’s security from trading pending the issuance of a written Hearings Panel decision.¹³ The Hearings Panel may, where it deems appropriate, grant an exception to the Bid Price Requirement and allow a company up to an additional 180 days from the date of the Staff Delisting Determination to regain compliance.¹⁴

The Nasdaq Rules set forth limited circumstances that can truncate or alter the bid price compliance periods. In particular, Nasdaq Rule 5810(c)(3)(A)(iii) provides that if a company’s security is already in a compliance period for non-compliance with the Bid Price Requirement and thereafter has a closing bid price of \$0.10 or less for 10 consecutive trading days (“Low Price Requirement”), Nasdaq must issue a Staff Delisting Determination with respect to that security, notwithstanding any otherwise available compliance period.

The Exchange states that, based on its experience administering the rules described above, it is proposing modifications to the Low Price Requirement.¹⁵

First, the Exchange proposes to modify the Low Price Requirement under Nasdaq Rule 5810(c)(3)(A)(iii), such that a failure to meet the continued listing requirement for minimum bid

¹¹ See id.

¹² See Nasdaq Rule 5815 (Review of Staff Determinations by Hearings Panel).

¹³ See Nasdaq Rule 5815(a)(1)(B). A timely request for a hearing will not stay the suspension of securities from trading pending the issuance of a written Hearings Panel decision when the Staff Delisting Determination is related to certain enumerated deficiencies, including where the company has been afforded a second 180-day compliance period within which to regain compliance with the Bid Price Requirement. See Nasdaq Rule 5815(a)(1)(B)(ii).

¹⁴ See Nasdaq Rule 5815(c)(1)(A). A company may appeal a Hearings Panel decision to the Nasdaq Listing and Hearing Review Council (“Listing Council”). See Nasdaq Rule 5820.

¹⁵ See Amendment No. 1 at 6.

price shall be determined to exist if a company's security has a closing bid price of \$0.10 or less for ten consecutive business days, regardless of whether the company is under any compliance period specified in Nasdaq Rule 5810(c)(3)(A).¹⁶ Upon such failure, the Listing Qualifications Department shall issue a Staff Delisting Determination under Nasdaq Rule 5810 with respect to that security, the security shall be suspended from trading on Nasdaq, and the company shall be ineligible for any compliance period otherwise described in Nasdaq Rule 5810(c)(3)(A).¹⁷ Compliance with the Low Price Requirement can be achieved by meeting the applicable standard (i.e., at least \$1.00) for a minimum of ten consecutive business days, unless Nasdaq Staff exercises its discretion to extend the ten-day period as discussed in Nasdaq Rule 5810(c)(3)(H).¹⁸

The Exchange states that it has observed that the challenges facing companies whose security's price declines to \$0.10 or less for ten consecutive business days are often indicative of deep financial or operational distress, generally are not temporary, and may be so severe that the company is not likely to regain compliance with the Bid Price Requirement.¹⁹ Accordingly, the Exchange states that it believes it is appropriate for investor protection reasons to accelerate the time when the Staff Delisting Determination is sent to such companies.²⁰

¹⁶ The Exchange states that it proposes to modify "trading days" to "business days" in Nasdaq Rule 5810(c)(3)(A)(iii) for purposes of terminology consistency. See Amendment No. 1 at 6, n.9. The Exchange also states that it proposes to amend Nasdaq Rule 5810(c)(3)(A) to indicate that the failure to meet the Bid Price Requirement for a period of thirty consecutive business days is no longer the only condition where the failure to meet the continued listing requirement for minimum bid price shall be determined to exist. See id. at 6-7.

¹⁷ See proposed Nasdaq Rule 5810(c)(3)(A)(iii). The Exchange states that the proposal will accelerate the time when a Staff Delisting Determination is sent in situations where a security's price quickly declines from above \$1.00 to below \$0.10 rather than require a company to first be non-compliant with the Bid Price Requirement (i.e., having had a closing bid price less than \$1.00 for thirty consecutive business days) before the Low Price Requirement takes effect to truncate any remaining compliance period. See Amendment No. 1 at 6.

¹⁸ See proposed Nasdaq Rule 5810(c)(3)(A)(iii). The Exchange states that the proposed mechanism to regain compliance is identical to the manner specified in Nasdaq Rule 5810(c)(3)(A) for the minimum bid price continued listing standard generally. See Amendment No. 1 at 7, n.10.

¹⁹ See Amendment No. 1 at 7, 10. The Exchange further states that "the price concerns with these companies can be a leading indicator of other listing compliance concerns, and these companies often become subject to delisting for other reasons during the compliance periods." Id. at 10.

²⁰ See id. at 7.

Second, the Exchange proposes to include the failure to comply with the Low Price Requirement to the list of circumstances in which a request for Hearings Panel review will not stay the suspension of company's security from trading. Specifically, a timely request for a hearing will not stay the suspension of the company's security from trading pending the issuance of a written Hearings Panel decision when the Staff Delisting Determination is related to a failure to comply with the Low Price Requirement under proposed Nasdaq Rule 5810(c)(3)(A)(iii).²¹ Rather, failure to comply with the Low Price Requirement will result in immediate suspension from trading on Nasdaq. The Exchange states that it believes it is not appropriate for these very low-priced securities to continue trading on Nasdaq during the pendency of the Hearings Panel review process following receipt of a Staff Delisting Determination.²² The Exchange also states that, pursuant to Nasdaq Rule 5815(c)(1)(A), the Hearings Panel will continue to have discretion, where it deems appropriate, to grant an exception for up to 180 days from the date of the Staff Delisting Determination for the company to regain compliance with the Low Price Requirement.²³

Finally, the Exchange proposes to make the proposed rule change operative 45 days after Commission approval.²⁴

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations

²¹ See proposed Nasdaq Rule 5815(a)(1)(B)(ii)e.

²² See Amendment No. 1 at 7. The Exchange states that when a company has its securities suspended during a Hearings Panel's review, its securities would generally trade in the over-the-counter market pending the issuance of a written Hearings Panel decision. See Amendment No. 1 at 8.

²³ See *id.* at 9. The Hearings Panel will also continue to have the authority to find the company in compliance with all applicable listing standards and reinstate the trading of the company's securities on Nasdaq. See Nasdaq Rule 5815(c)(1)(E).

²⁴ See Amendment No. 1 at 9. The Exchange states that the proposed rule change will not apply to any company that has received a Staff Delisting Determination for failure to satisfy the Bid Price Requirement under Nasdaq Rule 5810(c)(3)(A) and has appeared before a Hearings Panel on or before the operative date. See *id.*

thereunder applicable to a national securities exchange.²⁵ In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act,²⁶ which requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. In addition, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(7) of the Act,²⁷ which requires, among other things, that the rules of an exchange provide fair procedure for the prohibition or limitation by the exchange of any person with respect to access to services offered by the exchange.

The development and enforcement of meaningful listing standards²⁸ for an exchange is of critical importance to financial markets and the investing public. Among other things, such listing standards help ensure that exchange-listed companies will have sufficient public float, investor base, and trading interest to provide the depth and liquidity to promote fair and orderly markets. Meaningful listing standards also are important given investor expectations regarding the nature of securities that have achieved an exchange listing, and the role of an exchange in overseeing its market and assuring compliance with its listing standards.²⁹

²⁵ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁶ 15 U.S.C. 78f(b)(5).

²⁷ 15 U.S.C. 78f(b)(7).

²⁸ The Commission notes that this reference to "listing standards" is referring to both initial and continued listing standards.

²⁹ See, e.g., Securities Exchange Act Release Nos. 88716 (Apr. 21, 2020), 85 FR 23393 (Apr. 27, 2020) (SR-NASDAQ-2020-001) (Order Approving a Proposed Rule Change To Modify the Delisting Process for Securities With a Bid Price at or Below \$0.10 and for Securities That Have Had One or More Reverse Stock Splits With a Cumulative Ratio of 250 Shares or More to One Over the Prior Two-Year Period); 88389 (Mar. 16, 2020), 85 FR 16163 (Mar. 20, 2020) (SR-NASDAQ-2019-089) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend Rule 5815 To Preclude Stay During Hearing Panel Review of Staff Delisting Determinations in Certain Circumstances). See also Securities Exchange Act Release No. 81856

The Exchange's proposal is reasonably designed to enhance its continued listing standards, thereby protecting investors and the public interest. As discussed above, currently, a company must first be non-compliant with the Bid Price Requirement (i.e., the company's security has traded below \$1.00 for thirty consecutive business days) and subject to a compliance period in Nasdaq Rule 5810(c)(3)(A) before the additional provisions of the Low Price Requirement take effect to truncate any remaining compliance period. Under the proposal, if the company's security becomes non-compliant with the Low Price Requirement (i.e., the company's security has traded at or below \$0.10 for ten consecutive business days), the Exchange will immediately issue a Staff Delisting Determination and suspend the securities from trading on Nasdaq. Thus, the proposed rule change will accelerate the timeframe within which the Exchange will issue a Staff Delisting Determination in instances where a security's price declines to \$0.10 or below for at least 10 consecutive business days and result in immediate suspension from trading on Nasdaq.³⁰

The Exchange states that it is appropriate to subject securities that are non-compliant with the Low Price Requirement to heightened scrutiny because, as the Exchange stated in its proposal,³¹ such securities may have similar characteristics to penny stocks and yet, because they are listed on the Exchange, are exempt from the Penny Stock Rules, which provide enhanced investor protections, among other things, to prevent fraud and safeguard against potential market manipulation.³² In addition, the Exchange states that it has observed that the challenges facing

(Oct. 11, 2017), 82 FR 48296, 48298 (Oct. 17, 2017) (SR-NYSE-2017-31) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Amend the Listed Company Manual To Adopt Initial and Continued Listing Standards for Subscription Receipts) (stating that “[a]dequate standards are especially important given the expectations of investors regarding exchange trading and the imprimatur of listing on a particular market” and that “[o]nce a security has been approved for initial listing, maintenance criteria allow an exchange to monitor the status and trading characteristics of that issue ... so that fair and orderly markets can be maintained.”).

³⁰ See *supra* notes 16-17 and accompanying text.

³¹ See Amendment No. 1 at 10-11.

³² See 17 CFR 240.3a51-1(a)(1); 17 CFR 240.15g-1 to -9. In particular, the Penny Stock Rules provide protections to investors in low-priced stocks requiring, among other things, that broker-dealers provide a disclosure document to their customers describing the risk of investing in penny stocks and approve customer accounts for transactions in penny stocks.

such companies are often indicative of deep financial or operational distress, generally are not temporary, and may be so severe that the companies are not likely to regain compliance within the prescribed compliance period.³³ The Exchange also states that the price concerns with such companies can be a leading indicator of other listing compliance concerns, and that these companies often become subject to delisting for other reasons during the compliance periods.³⁴

The Exchange can reasonably conclude from its experience that a company's inability to comply with the Low Price Requirement is indicative of serious difficulties within such company that are likely to continue to put downward pressure on the stock price, such that the company is not likely to regain compliance within any compliance periods. Further, the continued listing of very low-priced securities raises concerns that these securities may not have sufficient public float, investor base, and trading interest to promote fair and orderly markets and relatedly may have heightened susceptibility to manipulation. Given these concerns, the Exchange's proposal to immediately suspend and delist companies that are in violation of the Low Price Requirement is appropriate and consistent with Section 6(b)(5) of the Act.

In addition, the proposal prohibits continued trading of a company's security on the Exchange during the pendency of Hearings Panel review of a Staff Delisting Determination when the company has not complied with the Low Price Requirement.³⁵ It is consistent with investor protection to prohibit such companies from continuing to trade on the Exchange during a review of the delisting determination for these very low-priced securities.

While the Commission recognizes that the Exchange delisting process is in part designed to allow companies experiencing temporary financial and/or business issues to regain compliance with continued listing standards,³⁶ the proposal reasonably balances the intent of the

³³ See supra note 19 and accompanying text.

³⁴ See supra note 19.

³⁵ See supra note 21 and accompanying text.

³⁶ The Exchange has stated, for example, that the bid price compliance periods are "designed to allow adequate time for a company facing temporary business issues, a temporary decrease in the market value of

delisting process with the need to prevent the prolonged trading of a company's very low-priced securities on the Exchange when the company is unlikely to regain compliance with Exchange standards for continued listing, which is contrary to the goal of protecting investors and the public interest.

The proposal is also consistent with Section 6(b)(7) of the Act in that it provides a fair procedure for the prohibition or limitation by the Exchange of any person with respect to access to services offered. A listed company whose security is subject to immediate suspension and delisting under the proposal after failing to comply with the Low Price Requirement will still be able to seek review of the Staff Delisting Determination by the Hearings Panel. Further, while such company's security will not trade on the Exchange during the pendency of any appeal, the Hearings Panel will continue to have authority, where it deems appropriate, to grant an exception period for up to 180 days from the date of the Staff Delisting Determination for the company to regain compliance with the Low Price Requirement or to find the company in compliance with all applicable listing standards.³⁷ Moreover, the company will continue to be able to appeal a Hearings Panel decision to the Listing Council.³⁸

In sum, the Exchange's proposal is reasonably designed to enhance its continued listing standards as it appropriately identifies securities listed on its market that are more likely to have serious recurrent issues in regaining and maintaining compliance with the Bid Price Requirement and proposes reasonable changes to shorten the time that such non-compliant securities can remain trading on the Exchange, thereby protecting investors and the public interest in accordance with Section 6(b)(5) of the Act,³⁹ while at the same time maintaining a fair procedure

its securities, or temporary market conditions to come back into compliance with a bid price deficiency.” See Securities Exchange Act Release No. 87982 (Jan. 15, 2020), 85 FR 3736, 3737 (Jan. 22, 2020) (SR-NASDAQ-2020-001) (Notice of Filing of Proposed Rule Change to Modify the Delisting Process for Securities with a Bid Price Below \$0.10 and for Securities that Have Had One or More Reverse Stock Splits with a Cumulative Ratio of 250 or More to One over the Prior Two Year Period).

³⁷ See supra note 23 and accompanying text. See also Nasdaq Rule 5815(c)(1)(A) and (E).

³⁸ See supra note 14.

³⁹ 15 U.S.C. 78f(b)(5).

for affected companies to appeal their Staff Delisting Determinations to the Hearings Panel in accordance with Section 6(b)(7) of the Act.⁴⁰ For these reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act.

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

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

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NASDAQ-2025-065 on the subject line.

Paper Comments:

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

All submissions should refer to file number SR-NASDAQ-2025-065. 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.

⁴⁰ 15 U.S.C. 78f(b)(7).

All submissions should refer to file number SR-NASDAQ-2025-065 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

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

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 1 in the Federal Register. Amendment No. 1 provides additional clarity to the proposal by utilizing consistent terminology to refer to a “business day” and setting forth additional description of certain aspects of the proposal. Amendment No. 1 also makes certain changes that are technical and non-substantive in nature. In addition, the proposal has been subject to public comment⁴¹ and no comment has been received.

The Commission finds that Amendment No. 1 does not raise any novel regulatory issues that have not previously been subject to comment and is reasonably designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. In addition, the Commission finds the proposal provides fair procedure for the prohibition or limitation by the exchange of any person with respect to access to services offered by the exchange. Accordingly,

⁴¹ See Notice, supra note 3.

the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,⁴² to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

VI. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁴³ that the proposed rule change (SR-NASDAQ-2025-065), as modified by Amendment No. 1, be and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁴

Sherry R. Haywood,

Assistant Secretary.

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⁴² 15 U.S.C. 78s(b)(2).

⁴³ Id.

⁴⁴ 17 CFR 200.30-3(a)(12).