



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104481; File No. SR-NASDAQ-2025-101]

### **Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Exchange's Rules Related to Round Lot and Normal Unit of Trading**

December 22, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 11, 2025, The Nasdaq Stock Market LLC (the “Exchange” or “Nasdaq”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 the Exchange's rules related to round lot and normal unit of trading, specifically, Nasdaq Rules 5005(a)(40) and 5720(c)(6), Nasdaq Equity Rule 2, Section 5(a)(1) and Nasdaq Equity Rule 4, Section 4703(b)(1), to bring the rules into compliance with Regulation National Market System Rule 600(b)(93).<sup>5</sup>

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> 17 CFR 242.600(b)(93).

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

The purpose of the proposed rule change is to amend the amend the Exchange’s rules related to round lot and normal unit of trading, specifically, Nasdaq Rules 5005(a)(40) and 5720(c)(6), Nasdaq Equity Rule 2, Section 5(a)(1) and Nasdaq Equity Rule 4, Section 4703(b)(1), to bring the rules into compliance with Regulation National Market System (“Reg NMS”) Rule 600(b)(93).<sup>6</sup>

On December 9, 2020, the Commission adopted amendments to Reg NMS, specifically, the Market Data Infrastructure rules to modernize the NMS information provided within the national market system for the benefit of market participants and to better achieve Section 11A’s goals of assuring “the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities that is prompt, accurate, reliable, and fair” (“MDI Rules”). These changes included a definition of “round lot” which assigns each NMS stock to a round lot size based on the stock’s average closing price.<sup>7</sup> Prior to this change, a “round lot” was

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<sup>6</sup> 17 CFR 242.600(b)(93).

<sup>7</sup> See Securities Exchange Act Release No. 90610 (Dec. 9, 2020), 86 FR 18596 (Apr. 9, 2021) (“MDI Adopting Release”). The MDI Rules adopted the definition of round lot in Rule 600(b)(82). This provision

not defined in the Act or Reg NMS. The definition of a “round lot” was included in the rules of each exchange, including Nasdaq Rules 5005(a)(40) and 5720(c)(6), Nasdaq Equity Rule 2, Section 5(a)(1) and Nasdaq Equity Rule 4, Section 4703(b)(1), which typically defined a “round lot” as 100 shares, but they also allow an exchange, or the primary listing exchange for the security, discretion to define it otherwise.

In light of delays in the implementation of the MDI Rules, including the definition of round lot, on September 18, 2024, the Commission, among other things, accelerated the implementation of the round lot definition. The Commission also revised the round lot definition as set forth below.<sup>8</sup> Rule 600(b)(93) of Reg NMS, as adopted by the MDI Rules and as amended in 2024, defines a round lot for NMS stocks<sup>9</sup> that have an average closing price on the primary listing exchange during the prior Evaluation Period<sup>10</sup> of: (1) \$250.00 or less per share as 100 shares; (2) \$250.01 to \$1,000.00 per share as 40 shares; (3) \$1,000.01 to \$10,000.00 per share as 10 shares; and (4) \$10,000.01 or more per share as one share. For any security that becomes an NMS Stock during an operative period, as described in Rule 600(b)(93)(iv),<sup>11</sup> a round lot is 100 shares.

The primary listing exchange is required to collect and calculate information for an NMS stock and provide such information, including an indicator of the applicable round lot size, to

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was subsequently renumbered to Rule 600(b)(93) by the Rule 605 Amendments. *See* Securities Exchange Act Release No. 99679 (Mar. 6, 2024), 89 FR 26428, 26429 (Apr. 15, 2024) (“Rule 605 Amendments”) (adopting amendments to rule 605 under Reg NMS to update reports on execution quality).

<sup>8</sup> *See* Securities Exchange Act Release No. 101070 (Sept. 18, 2024), 89 FR 81620 (Oct. 8, 2024).

<sup>9</sup> “NMS stock” is defined under Reg NMS as any NMS security other than an option. 17 CFR § 242.600(b)(65).

<sup>10</sup> Rule 600(b)(93)(iii) of Reg NMS defines the “Evaluation Period” as (A) all trading days in March for the round lot assigned on the first business day in May and (B) all trading days in September for the round lot assigned on the first business day of November during which the average closing price of an NMS stock on the primary listing exchange shall be measured by the primary listing exchange to determine the round lot for each NMS stock.

<sup>11</sup> Pursuant to Rule 600(b)(93)(iv) of Reg NMS the round lot assigned under this section shall be operative on: (A) The first business day of May for the March Evaluation Period and continue through the last business day of October of the calendar year; and (B) The first business day of November for the September Evaluation Period and continue through the last business day of April of the next calendar year.

competing consolidators and self-aggregators.<sup>12</sup> Adjustments to the round lot size for a security will occur on a semiannual basis and the calculation of the average closing price on the primary listing exchange will be based on a one month “Evaluation Period.”

In various sections of its rulebook, the Exchange currently defines round lot and “normal unit of trading” as 100. Specifically, Nasdaq Rule 5005(a)(40) defines round lot and “normal unit of trading” as 100 shares of a security unless, with respect to a particular security, Nasdaq determines that a normal unit of trading shall constitute other than 100 shares. The Exchange proposes to amend the rule to define the terms pursuant to Rule 600(b)(93) of Reg NMS under the Act. Additionally, the Exchange proposes to add language that it shall publish semi-annual updates of the round lot unit for all Nasdaq-listed securities.

The Exchange’s rulebook also references 100 shares for round lot and “normal unit of trading” in Nasdaq Rule 5720(c)(6), which currently requires Trust Issued Receipts to only be made in round lots of 100 receipts or round lot multiples. The Exchange proposes to remove the reference to 100 receipts. “Normal Unit of Trading” is also defined in Nasdaq Equity Rule 2, Section 5(a)(1) as 100 shares. The Exchange proposes to remove the reference to 100 shares and add language noting that the Exchange shall publish semi-annual updates of the round lot unit for all Nasdaq-listed securities. Similarly, Nasdaq Equity Rule 4, Section 4703(b)(1) defines round lot and “normal unit of trading” as 100 shares in most instances. The Exchange proposes to remove the reference to 100 shares.

These proposed changes will bring the rules discussed above into compliance with Reg NMS Rule 600(b)(93) by eliminating references to 100 shares as the normal unit of trading.

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<sup>12</sup> 17 CFR 242.600(b)(89)(i)(E).

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>13</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>14</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.

Generally speaking, it is consistent with the Act to amend the Rulebook to comply with securities laws and regulations. The Exchange believes that the proposed amendments made in this filing are reasonable because they bring the rules into compliance with new Reg NMS Rule 600(b)(93). In order to bring these existing rules into compliance, the Exchange is modifying all references in the rulebook that define round lot and “normal unit of trading” as 100. The proposed changes remove any confusion that 100 is the default round lot size for all securities. The proposal also perfects the mechanism of a free and open market by making clear that the terms round lot and “normal unit of trading” are based on Rule 600(b)(93) of Reg NMS and that the Exchange will publish the round lot unit for all of its listed securities on a semi-annual basis.

The Exchange believes that the proposed updates will protect investors and the public because it brings our rules into compliance and aligns them with federal securities laws and regulations.

### 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.

The proposal does not impose any burden on competition. However, even if these proposed amendments to the definition of round lot and “normal unit of trading” imposed a burden on competition, such a burden would be necessary or appropriate in furtherance of the

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<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

purposes of the Act because these changes are being made to bring the Exchange's rulebook into compliance with new Reg NMS Rule 600(b)(93).

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)(iii) of the Act<sup>15</sup> and Rule 19b-4(f)(6) thereunder.<sup>16</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>17</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>18</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>19</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>20</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the Exchange may promptly align its rules with current federal securities laws and regulations, particularly Rule 600(b)(93) of Reg NMS, which took effect in November 2025.<sup>21</sup> For these reasons, and because the proposed rule change does not

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<sup>15</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>19</sup> 17 CFR 240.19b-4(f)(6).

<sup>20</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>21</sup> See supra notes 6 and 8.

raise any new or novel regulatory issues, the Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.<sup>22</sup>

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)<sup>23</sup> 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
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-NASDAQ-2025-101 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.

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<sup>22</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>23</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-NASDAQ-2025-101. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NASDAQ-2025-101 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.<sup>24</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>24</sup> 17 CFR 200.30-3(a)(12), (59).