



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105291; File No. SR-NASDAQ-2026-033]

### **Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify Certain Initial Listing Requirements for Acquisition Companies**

April 22, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 15, 2026, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, 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 increase the initial listing requirements for companies whose business plan is to complete one or more acquisitions, as described in Listing Rule IM-5101-2.

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

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

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

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

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

1. Purpose

Nasdaq is proposing to increase the initial listing requirements for companies whose business plan is to complete one or more acquisitions, as described in Listing Rule IM-5101-2 (an “Acquisition Company”).

An Acquisition Company is a special purpose company formed for the purpose of completing an initial public offering and engaging in a merger or acquisition (a business combination) with one or more unidentified companies within a specific period of time.<sup>3</sup> The securities sold by the Acquisition Companies in its initial public offering (“IPO”) are typically units, consisting of one share of common stock and one or more warrants (or a fraction of a warrant) to purchase common stock, that are separable at some point after the IPO. Due to their different structure, Acquisition Companies do not have any prior financial history, at the time of their listing, like operating companies.

Historically, Acquisition Companies chose to list on the Nasdaq Capital Market instead of the Nasdaq Global Market, in part, because it had lower fees<sup>4</sup> and lower initial distribution

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<sup>3</sup> Pursuant to Listing Rule IM-5101-2 an Acquisition Company is required, among other things, to keep at least 90% of the proceeds from its IPO in an escrow account and, until the company has completed one or more business combinations having an aggregate fair market value of at least 80% of the value of the escrow account, must meet the requirements for initial listing following each business combination. If a shareholder vote on the business combination is held, public shareholders voting against a business combination must have the right to convert their shares of common stock into a pro rata share of the aggregate amount then in the escrow account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. If a shareholder vote on the business combination is not held, the company must provide all shareholders with the opportunity to redeem all their shares for cash equal to their pro rata share of the aggregate amount then in the deposit account.

<sup>4</sup> In 2021 Nasdaq amended the rules to make the listing fees and the timing of paying such fees for Acquisition Companies listing on the Nasdaq Capital and Global Markets the same. See Securities Exchange Act Release No. 92345 (July 7, 2021), 86 FR 36807 (July 13, 2021).

requirements.<sup>5</sup> More recently, certain Acquisition Companies have sought to list on the Nasdaq Global Market. In particular, Nasdaq notes an SEC statement about accounting treatment by Acquisition Companies<sup>6</sup> and subsequent and more recent accounting comments to Acquisition Companies have resulted in some Acquisition Companies adopting different accounting practices and, as a result, having insufficient equity to qualify for initial listing on the Nasdaq Capital Market. Based on Nasdaq's experience listing Acquisition Companies on the Global and Capital Market tiers, Nasdaq proposes to modify Listing Rules 5405 and 5505 to increase the listing requirements for Acquisition Companies.

### Nasdaq Global Market

Currently, an Acquisition Company may list on the Nasdaq Global Market if it satisfies the requirements in the Rule 5400 Series in addition to all requirements described in Listing Rule IM-5101-2. Generally, Acquisition Companies list on the Nasdaq Global Market under the Market Value Standard in Listing Rule 5405(b)(3) because Acquisition Companies' financial structure, including the redeemable nature of the shares issued in the IPO, results in insufficient stockholders' equity to list under the Global Market's alternative standards.<sup>7</sup>

Based on Nasdaq's experience with listing Acquisition Companies on the Global Market, Nasdaq proposes to modify Listing Rule 5405(b)(3)(A) to increase the minimum Market

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<sup>5</sup> Listing Rules 5505(a)(2) and 5505(a)(3) require a Company to have one million Unrestricted Publicly Held Shares and at least 300 Round Lot Holders in connection with the initial listing on the Nasdaq Capital Market. See also Listing Rules 5505(a) and (b), which generally require minimum bid price of at least \$4 per share; at least three registered and active Market Makers; and Market Value of Unrestricted Publicly Held Shares of \$15 million, Stockholders' equity of at least \$4 million, and Market Value of Listed Securities of \$50 million under the Market Value Standard.

<sup>6</sup> *Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies (SPACs)*, by John Coates, Acting Director of the Division of Corporation Finance, and Paul Munter, Acting Chief Accountant (April 12, 2021), available at: <https://www.sec.gov/news/public-statement/accounting-reporting-warrants-issued-spacs>.

<sup>7</sup> Listing Rules 5405(b)(1) (the Income Standard) and (b)(2) (the Equity Standard) require stockholders' equity of \$15 million and \$30 million, respectively. Acquisition Companies also cannot qualify under Listing Rule 5405(b)(4) (the Total Assets/Total Revenue Standard) because this standard requires, among other things, total revenue of \$75 million each for the most recently completed fiscal year or two of the three most recently completed fiscal years. Acquisition Companies, by design, do not have any substantive operations before listing and therefore cannot have meaningful amounts of revenue.

Value of Listed Securities that an Acquisition Company must have to at least \$100 million.<sup>8</sup> This increased Market Value of Listed Securities requirement for the listing of an Acquisition Company on the Global Market is the same as the current Market Value of Listed Securities requirement under the Alternative Initial Listing Requirements for Acquisition Companies listing pursuant to Listing Rule 5406 on the Nasdaq Global Market. This proposal is also consistent with the approach of the NYSE.<sup>9</sup> However, unlike Acquisition Companies listing under Rule 5406 or the NYSE requirements, which can list with 300 shareholders, an Acquisition Company listing under Rule 5405(b)(3)(A) would continue to be required to have 400 shareholders.

#### Nasdaq Capital Market

Currently, an Acquisition Company may list on the Nasdaq Capital Market if it satisfies the requirements in the Rule 5500 Series in addition to all requirements described in Listing Rule IM-5101-2. Generally, Acquisition Companies list on the Nasdaq Capital Market under Rule 5505(b)(2) (the Market Value of Listed Securities Standard) because Acquisition Companies cannot qualify for listing on the Capital Market under Listing Rule 5505(b)(1) (the Equity Standard) or Listing Rule 5505(b)(3) (the Net Income Standard) because, by design, they do not have any substantive operations before listing and therefore cannot satisfy the operating history and net income from continuing operations requirements, respectively, of these listing standards.

Based on Nasdaq's experience with listing Acquisition Companies, Nasdaq now proposes to modify the Market Value of Listed Securities Standard to exclude an Acquisition Company from being able to list under that rule and to adopt new Listing Rule 5505(b)(4) to set forth requirements for Acquisition Companies listing on the Capital Market. Specifically, proposed Listing Rule 5505(b)(4) will require:

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<sup>8</sup> All other Companies listing under Listing Rule 5405(b)(3)(A) will continue to be subject to the current Market Value of Listed Securities requirement of \$75 million.

<sup>9</sup> See Section 102.06 of the NYSE Listed Company Manual.

- Market Value of Listed Securities of \$75 million (current publicly traded Companies must meet this requirement and the \$4 bid price requirement for 90 consecutive trading days prior to applying for listing if qualifying to list only under the Market Value Standard);
- Market Value of Unrestricted Publicly Held Shares of at least \$20 million (for a Company listing in connection with an initial public offering, including through the issuance of American Depository Receipts, this requirement must be satisfied from the offering proceeds); and
- At least four registered and active Market Makers.

Nasdaq also proposes to amend Listing Rule 5505(a)(3) to require that an Acquisition Company listing on the Capital Market must have a minimum of 400 public shareholders.<sup>10</sup>

These new requirements for listing of an Acquisition Company on the Capital Market are substantially similar to the current requirements for listing of an Acquisition Company on the Nasdaq Global Market. This proposal is also consistent with the requirements of NYSE American.<sup>11</sup>

The proposed rule change is immediately effective and will be operative for the listing of Acquisition Companies in 30 days. Acquisition Companies that list within that 30-day period can continue to qualify based on the prior rules.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>13</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.

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<sup>10</sup> All other Companies listing on the Capital Market will continue to be subject to the minimum 300 Round Lot Holders requirement.

<sup>11</sup> See Sections 101(d), 102 and 119 of the NYSE American Listed Company Manual.

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

Nasdaq believes that the proposal to modify Listing Rule 5405(b)(3)(A) to provide that an Acquisition Company must have a Market Value of Listed Securities of at least \$100 million to list on the Global Market is consistent with the protection of investors because this proposed listing requirement raises the existing threshold and is equal to or higher than the requirements otherwise applicable to Acquisition Companies listing on the NYSE, Nasdaq Capital Market and NYSE American. In addition, a number of Acquisition Companies have listed on the Nasdaq Global Market under the Alternative Initial Listing Requirements for Acquisition Companies listing pursuant to Listing Rule 5406 and those companies were subject to an identical Market Value of Listed Securities requirement as now proposed by the Exchange.

Nasdaq also believes that the proposal to allow Acquisition Companies to list on the Nasdaq Capital Market under the existing Nasdaq Global Market requirements for listing set forth in proposed Listing Rule 5505(b)(4) for Acquisition Companies listing on the Nasdaq Capital Market will protect investors because it raises the existing requirements. Nasdaq also notes that Acquisition Companies have been listing on the Global Market and NYSE American for a number of years subject to initial requirements nearly identical to those included in this proposal and that the Commission previously found these initial listing standards to be consistent with the requirements of the Act.

Further, Nasdaq believes that the proposed rule change is designed to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism of a free and open market because the proposed standards would permit Nasdaq to list securities of Acquisition Companies that meet specified criteria, including market value, distribution, and price requirements, which should help ensure that the securities have sufficient public float, investor base, and liquidity to promote fair and orderly markets. In addition, Acquisition Companies would have to meet other existing investor protection criteria, such as the escrow account requirement, public shareholder approval requirement, public shareholder redemption rights, and public shareholder liquidation preferences, which should further the ability of

investors to protect and monitor their investment pending a business combination. Finally, Acquisition Companies that list securities on Nasdaq would have to comply with all Nasdaq corporate governance requirements applicable to operating companies.

While the proposed changes to the listing requirements for Acquisition Companies set a standard that is different from the requirements applicable to operating companies, Nasdaq does not believe that this difference is unfairly discriminatory because, as described above, Acquisition Companies differ structurally from operating companies. As an investment in an Acquisition Company prior to its business combination represents a right to a pro rata share of the Acquisition Company's assets held in trust and the investor in an Acquisition Company is relying on the company's management to select an appropriate target. As such, investments in Acquisition Companies represent different risks than other investments and the Exchange therefore does not believe it is unfairly discriminatory to apply different initial listing requirements to Acquisition Companies than to other listing applicants.

Nasdaq also notes that Acquisition Companies listing under the proposed rule will be subject to the existing requirements in Listing Rule IM-5101-2 which requires that until the Company completes a business combination within 36 months of the effectiveness of its IPO registration statement, or such shorter period that the company specifies in its registration statement (the Company must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account at the time of the agreement to enter into the initial combination) the Acquisition Company must notify Nasdaq on the appropriate form about each proposed business combination. Following each business combination, the combined Company must meet the requirements for initial listing. If the Company does not meet the requirements for initial listing immediately following a business combination or does not comply with one of the requirements in Listing Rule IM-5101-2, Nasdaq will delist the Company's securities.

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. Nasdaq does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change will be available to all Acquisition Companies listing on Nasdaq and because the Commission previously found similar initial listing standards to be consistent with the requirements of the Act.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>14</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>15</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 shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</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 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.

#### 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-2026-033 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-2026-033. 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-2026-033 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>16</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>16</sup> 17 CFR 200.30-3(a)(12).