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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106614; File No. SR-NASDAQ-2026-082]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Listing Rule 5505

October 7, 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 September 30, 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 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 a proposal to amend Listing Rule 5505 to require a minimum $4 price in all instances for initial listing on the Nasdaq Capital Market.

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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1 15 U.S.C. 78s(b)(1).

2 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

Currently, the Exchange allows for companies seeking to list on the Nasdaq Capital Market ("NCM") to list securities priced between $2 and $4 if the security also meets additional requirements that result in the security satisfying an exclusion from the definition of "penny stock" contained in Exchange Act Rule 3a51-1(g).[3] Pursuant to Listing Rule 5505(a)(1)(B), a company applying to list its securities on the NCM may meet the initial listing requirement by having a minimum closing price of $3 per share, if the company meets the requirements of the Equity or Net Income Standards under Listing Rules 5505(b)(1) or (b)(3), or of $2 per share, if the company meets the requirements of the Market Value of Listed Securities Standard under Listing Rule 5505(b)(2), provided that in either case the company demonstrates that it has either: net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of $2 million, if the issuer has been in continuous operation for at least three years; or net tangible assets in excess of $5 million, if the issuer has been in continuous operation for less than three years; or average revenue of at least $6 million for the last three years (the "Alternative Price Requirement").

Nasdaq initially adopted the Alternative Price Requirement to enhance the competition among exchanges – particularly NYSE American LLC ("NYSE American"), which was the only other exchange allowed to list companies with a price below $4.[4] However, NYSE American recently amended its rule to remove the ability to list securities priced below $4.[5] Similarly,

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3 17 CFR 240.3a51-1(g).

4 See Securities Exchange Act Release No. 51983 (July 7, 2005), 70 FR 40614 (July 13, 2005) (Penny Stock Rule Amendments Adopting Release).

5 See Securities Exchange Act Release No. 105105 (March 27, 2026), 91 FR 16262 (April 1, 2026) (Order approving SR-NYSEAMER-2026-02).

Nasdaq is proposing to remove Listing Rule 5505(a)(1)(B), and, as a result, require all companies seeking to list under the Initial Listing Standards to have a minimum stock price of $4.00. The $4.00 standard is consistent with the initial listing requirements of other national securities exchanges, whereas the current Alternative Price Requirement is generally lower than the minimum price required for listing on other national securities exchanges.

Because companies that originally listed under the Alternative Price Requirement remain listed, the Exchange is proposing to keep Listing Rule IM-5505-2. The rule requires Nasdaq to publish on its website a list of any company that initially listed under the Alternative Price Requirement, which no longer satisfies the net tangible assets or revenue test contained in former Rule 5505(a)(1)(B), and which does not satisfy any of the other exclusions from being a penny stock contained in Rule 3a51-1 under the Act. Nasdaq will maintain this list on its website for as long as any companies remain listed that could be subject to that condition.[6] The Exchange is also proposing to include a summary description of former Listing Rule 5505(a)(1)(B) within Listing Rule IM-5505-2, which describes the price requirement that companies that initially list under the Alternative Price Requirement must satisfy and Nasdaq's ongoing monitoring of such companies for compliance with the penny stock rules. The proposed summary is intended to provide clarification for the references to the former rule that remain in Listing Rule IM-5505-2. Lastly, the Exchange is proposing to make conforming changes to Listing Rule IM-5505-2 to clarify that Listing Rule 5505(a)(1)(B) is a "former" rule. Nasdaq intends to make the proposed rule change operative 30 days after the date of the filing. This period will allow companies that have taken substantial steps to list under the current rules to complete the process.

2. Statutory Basis

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[6] Pursuant to IM-5505-2, if a company initially listed under the Alternative Price Requirement but subsequently achieved a $4 closing price for at least five consecutive business days and, at the same time, satisfied all other initial listing criteria, the company will no longer be considered as having listed under the Alternative Price Requirement.

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Section 6(b)(5) of the Act,[8] in particular, in that it is 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, by eliminating initial listing requirements that may cause securities to become susceptible to manipulation. More specifically, Nasdaq believes that removing the initial listing requirement that enables companies to list securities below $4 will decrease the likelihood that a company will trade at low price levels, which will protect investors and the public interest. Additionally, the Exchange believes that maintaining a summary of former Rule 5505(a)(1)(B) will provide clarification to the references to the former rule that are maintained in IM-5505-2.

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. Any company that desires to list on the NCM can do so on a non-discriminatory basis as long as the company complies with all the applicable Exchange initial listing requirements. Additionally, there is no burden to intra-market competition because the proposed change will apply to all companies that apply to list on the NCM. There is no inter-market burden on competition because the proposed amendment is aligned with the rule on other exchanges that do not allow for listing of companies below $4 and the proposal does not impose any burden on the ability for other exchanges to compete.[9] Additionally, Rule IM-5505-2 will remain applicable to companies previously listed under the rule.

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7 15 U.S.C. 78f(b).

8 15 U.S.C. 78f(b)(5).

9 See NYSE American Listed Company Guide Sections 101(a) – 101(d).

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) of the Act[10] and Rule 19b-4(f)(6) thereunder.[11]

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 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. Please include file number

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10 15 U.S.C. 78s(b)(3)(A).

11 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) 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.

SR-NASDAQ-2026-082 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-2026-082. 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-2026-082 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.[12]

Sherry R. Haywood,

Assistant Secretary.

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[12] 17 CFR 200.30-3(a)(12).