

What are a company's filing obligations with Nasdaq?

Identification
Number 369

The company must comply with the SEC or other federal or state regulatory authority filing obligations. If the company does not submit its filings via the SEC's EDGAR system, then it is required to submit two copies to Nasdaq's Listing Qualifications or email an electronic version of the report to continuedlisting@nasdaq.com. The company should refer to [Listing Rules 5250\(c\) and 5250\(d\)](#).

Publication Date*: 7/31/2012

Identification Number: 369

Does Nasdaq require the filing of SEC reports and documents?

Identification
Number 313

Yes. Nasdaq-listed companies are required to file with Nasdaq copies of all reports and other documents filed or required to be filed with the SEC (or other appropriate regulatory authority) on or before the applicable due date. This requirement is considered fulfilled if the company files the report or document with the SEC through the EDGAR system. A company that does not file through the EDGAR system is required to provide two copies of the report to Nasdaq unless the company emails a copy to continuedlisting@nasdaq.com. Please see the Distribution of Annual & Interim Reports Frequently Asked Questions for more information regarding the filing of SEC periodic reports.

Banks and officers and directors of listed companies that file with the FDIC must still provide paper copies to Nasdaq. Currently, Nasdaq systems do not have an electronic link with FDICconnect; therefore, Nasdaq is not notified when filings are made through that system.

For additional information regarding the reporting requirements of Nasdaq's listed companies, please refer to the [Continued Listing Guide](#).

Publication Date*: 7/31/2012

Identification Number: 313

What is the compliance process for filing delinquencies?

Identification
Number 372

In general, Nasdaq rules provide a company that is delinquent in its periodic filing obligations with 60 days to submit a plan of compliance to the Listing Qualifications Staff, although this timeframe can be shortened at Staff's discretion. Based on that plan, the Staff may grant the company up to 180 days from the due date for the periodic report to regain compliance. In determining whether to grant a company additional time, Staff will consider the company's specific circumstances, including the company's past compliance history, the reasons for the late filing, corporate events that may occur within the exception period, the company's general financial status, the company's disclosures to the market, and the likelihood that the filing can be made within the exception period.

In addition, Nasdaq will broadcast an indicator over its market data dissemination network noting the company's non-compliance. The indicator will be displayed with quotation information related to the company's securities on Nasdaq.com, NasdaqTrader.com and by other third-party providers of market data information. Also, Nasdaq posts a list of all non-compliant Nasdaq companies and the reason(s) for such non-compliance on our website. Click [here](#) to view the list. The company will be included in this list commencing five business days from the date of the delinquency notification.

The company can regain compliance with the requirement by filing the late periodic report and any other delinquent reports with due dates

falling before the end of the exception period. If a company fails to regain compliance prior to the expiration of a Staff exception or if Staff does not accept the plan of compliance, Staff will issue a Staff Determination indicating that the company is subject to delisting. If that occurs, the company may request a hearing before a Hearing Panel to review the determination. However, in this circumstance only, that request will operate to stay the delisting action for only 15 calendar days from the deadline to request a hearing. In order to obtain a longer stay, the company must, in its request for a hearing, ask that the Panel grant such a longer stay. If it does, the Panel can permit the company to remain listed for up to 180 days from the date of the Staff Determination letter, but in no event more than 360 days from the due date of the company's first late filing. See [Hearings FAQs](#) for additional information.

Should the company fail to comply with the terms of the Panel's exception or the Panel determines not to grant an exception, the Panel will issue a delist letter. The company may then appeal the Panel's decision to the Nasdaq Listing and Hearing Review Council (Listing Council). The request for an appeal will not stay the delisting of the company's securities from Nasdaq. Please note that the Listing Council may not grant an exception for a period to exceed 360 days from the due date of the first such late periodic report. See [Listing Council Appeals FAQs](#) for additional information.

Publication Date*: 7/31/2012

Identification Number: 372

What are the repercussions if a company's auditors did not review the quarterly financial statements as required under AS 4105?

Identification
Number 373

If the company is required to have its interim financial statements reviewed under AS 4105 and does not comply, Nasdaq views the filing to be incomplete and the company to be delinquent in its filing obligations.

Publication Date*: 4/10/2023

Identification Number: 373

If a company is delinquent in its periodic filing obligations, what information should the company include in its plan of compliance submission to the Staff?

Identification
Number 374

In submitting its plan of compliance to the Staff, the company should provide the following information:
The reasons, including the specific facts and circumstances, for the late filing;

- Whether an investigation into the circumstances underlying the filing delinquency has been initiated by the company's audit committee, auditors, or other internal committee;
- The likelihood that the filing can be made within the initial 180 day exception period;
- The company's past compliance history;
- Whether the company is the subject of any regulatory or judicial investigation;
- Any corporate events that may occur within the exception period;
- The company's general financial status; and
- The company's public disclosures relating to the filing delinquency, any forthcoming restatements, and its financial condition.

The Staff review will be based on information provided by a variety of sources, which may include the company, its audit committee, its outside auditors, the Staff of the SEC and any other regulatory body.

Publication Date*: 7/31/2012

Identification Number: 374

If an investigation into the issues underlying a late periodic report has been initiated by the company's board, audit committee or other investigative committee, what information should the company provide to the Staff?

Identification
Number 375

The company should be prepared to provide the following information to the extent it has been ascertained and to supplement that information in writing upon completion of the investigation:

1. A summary of the investigation, including:

- A description of how and when the issues/improprieties originally came to the attention of management and/or the board of directors or audit committee;
- A description of the particular issues under investigation and the scope of the investigation (years covered, geographical reach, etc.);

- A summary or time line of meetings and actions taken by the board, audit committee, or other investigative committee and the law firms, forensic accountants or other consultants retained to assist in the investigation; and
- The findings of the investigation, including a description of all questionable, improper and/or fraudulent actions or practices identified and the names of all individuals found to be responsible for, or have participated in, such conduct (by act or omission), the status of those individuals' employment with the company, and a description of any sanctions or remedial actions taken against those individuals;

2. A description of internal control and/or accounting weaknesses identified during the course of the investigation;

3. A description of all remedial measures that have been or will be implemented by the company (including a schedule for the implementation of those measures not yet adopted);

4. A description of any and all remedial measures and/or internal controls that the company does not plan to implement, which were recommended by the investigatory committee, or by any law, accounting or consulting firm involved in the investigation; and

5. A description of any and all investigations or inquiries by other regulatory authorities.

Publication Date*: 7/31/2012

Identification Number: 375

How long can a company remain listed if it is late in filing its periodic reports because of an internal investigation, accounting issues, restatements, or other similar concerns?

Identification
Number 440

A company may remain listed while deficient in its filing obligations for a maximum period of 360 days from the due date of the initial late periodic report (as extended by Exchange Act Rule 12b-25, if applicable).

When a company is late in filing a required periodic report with the SEC, Nasdaq Staff will ordinarily request that it submit a plan of compliance within 60 days. Upon review of the plan of compliance, Staff may allow the company to remain listed for up to 180 days from the due date of the filing. If a company is not current in its filings at the end of the 180 day period, Staff will send a delisting determination in a letter to the company.

In certain cases, Staff may determine that the circumstances which gave rise to the late filing raise public interest concerns pursuant to [Listing Rule 5101](#) and that the company should be required to submit its plan of compliance within a shorter period of time. It is also possible that Staff may determine that the circumstances leading to a late filing, coupled with the resulting lack of publicly available information, requires the imposition of a trading halt. Staff will request further information from the company during the halt to enable it to determine whether public disclosures can be made that would allow a resumption of trading and whether the continued listing of the company on Nasdaq is appropriate. The length of a trading halt can vary and there are no prescribed rules that limit how long trading may be halted.

Any Staff determination to delist a company for failing to file financial reports or related public interest concerns can be appealed to a Hearings Panel. In the case of a company that is subject to delisting for failure to file financial reports, a request for a hearing before a Panel will automatically stay delisting action for 15 days from the date the request for an appeal is due. A company may request that a Panel extend the stay until a hearing takes place and the Panel issues a decision. A hearing to consider such matters is typically scheduled within four weeks of the date of the company's request. After review of a company's plan of compliance and a hearing, a Panel may grant the company additional time to remain listed or determine that the company should be delisted. A Panel may not, however, grant an extension which would exceed 360 days from the due date of the initial late filing. A Panel also has no authority to lift a trading halt during the pendency of an extension.

A company may appeal a Panel decision to the Nasdaq Listing and Hearing Review Council (the "Listing Council"). An appeal to the Listing Council does not stay a Panel's decision to delist a company's securities. Therefore, any subsequent trading in the company's securities will take place in the over-the-counter markets and any trading halt which was imposed by Nasdaq will not continue after that date. See [Listing Council Appeals FAQs](#) for additional information.

Publication Date*: 5/1/2023

Identification Number: 440

Does Nasdaq list companies that operate in violation of law?

Identification
Number 1474

In determining whether to initially list a company or continue a company's listing when it changes its business activities, Nasdaq does not make subjective or value judgements about the business the company operates. However, Nasdaq cannot initially list or continue the listing of a company whose current or planned activities are in violation of U.S. federal law or the law in a jurisdiction where the company operates. In assessing the legality of a company's activity, Nasdaq largely relies on the risk factors and other disclosures made in the company's filings with the Securities and Exchange Commission, although Nasdaq may also request additional information from the company where necessary.

Publication Date*: 12/8/2017

Identification Number: 1474

What actions may Nasdaq take where there are indications that there is insufficient liquidity in a security to support fair and orderly trading?

Identification
Number 1742

Nasdaq rules are designed to maintain a fair and orderly market in listed securities. While each case is analyzed based on unique facts and circumstances, Nasdaq may determine to halt trading in a security when it observes unusual trading characteristics that could be caused by insufficient liquidity. Such a trading halt will allow Nasdaq to request information from the company about the number of unrestricted publicly held shares. Nasdaq may also request such information when a company announces a corporate action that would result in a contraction in the number of unrestricted publicly held shares, such as a reverse stock split, tender offer, stock buyback, or entering into a contractual agreement such as a standstill or lockup.

Upon receipt of information about the company's unrestricted publicly held shares, Nasdaq will consider if the number is sufficient to support liquid trading in the security. Generally, where a company has a number of unrestricted publicly held shares that is at least as high as the applicable publicly held shares requirement for continued listing of the security, Nasdaq would consider there to be a sufficient number to support liquid trading. However, where the number is lower, or if other factors exist such as an unusually high volume of trading, Nasdaq may use its discretionary authority under Rule 5101 to apply more stringent criteria. In such case, Nasdaq may require the company to provide a plan to increase the number of unrestricted publicly held shares.

Where Nasdaq has halted trading, Nasdaq generally will only resume trading after determining that there are sufficient shares available to facilitate proper price discovery in the secondary market, thereby protecting investors and the public interest.

Publication Date*: 7/14/2020

Identification Number: 1742

Does Nasdaq require listed SPACs to have a full-time Chief Financial Officer?

Identification
Number 1812

A SPAC listing on Nasdaq must, at a minimum, have a principal accounting officer (or equivalent) who meets the Nasdaq's audit committee "financial sophistication" requirements found in Listing Rule 5605(c)(2)(A)(iv). To meet this requirement, the individual must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Publication Date*: 10/29/2021

Identification Number: 1812

What happens if a Nasdaq-listed company's securities are prohibited from being traded under the Holding Foreign Companies Accountable Act?

Identification
Number 1834

The [Holding Foreign Companies Accountable Act](#) ("HFCAA") requires the Securities and Exchange Commission to identify public companies that have retained a registered public accounting firm to issue an audit report where the firm has a branch or office that: (1) is located in a foreign jurisdiction, and (2) the Public Company Accounting Oversight Board ("PCAOB") has determined that it is unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction. The Commission publishes a list of the companies it has identified at <https://www.sec.gov/hfcaa>. Nasdaq has additional information about the HFCAA available [here](#).

Under the HFCAA, if a company has three consecutive years where it is identified as having an auditor that the PCAOB is unable to inspect, then the Commission must prohibit the securities of the issuer from being traded, including on a national securities exchange.

If the Commission prohibits trading of a Nasdaq-listed issuer under the HFCAA, then Nasdaq will halt trading of the company's securities and initiate delisting proceedings. Specifically, Nasdaq Listing Rule 5101 allows Nasdaq to suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes continued listing of the securities on Nasdaq inadvisable or unwarranted in the opinion of Nasdaq, even though the securities meet all enumerated criteria for listing on Nasdaq. A prohibition on

trading by the Commission under the HFCAA would be an event that would prevent trading on Nasdaq, and therefore would warrant delisting under this rule.

Following a Commission prohibition, Nasdaq will request information from the company about the Commission's determination and the company's ability to trade in the United States, and immediately halt trading pursuant to Rule 4120(a)(5)(B) until the company provide information satisfactory to Nasdaq demonstrating that it is eligible to trade (such as an updated determination from the Commission). Furthermore, Nasdaq Listing Qualifications' staff will issue a delisting determination to the company under Nasdaq Rule 5810(c)(1). While the company may appeal that determination to a Hearings Panel pursuant to Nasdaq Rule 5815, the company's securities would remain halted during any such appeal and Nasdaq would not resume trading during the Commission's prohibition even if the Hearings Panel allows the continued listing of the company's securities.

Publication Date*: 5/6/2022

Identification Number: 1834

Is there a document that describes Nasdaq's continued listing standards, required disclosures, notifications and fees?

Identification
Number 1051

Yes. Please refer to our [Continued Listing Guide](#) for important information about Nasdaq's continued listing standards, required disclosures, notifications and fees.

Publication Date*: 11/30/2017

Identification Number: 1051

Who can I contact if I have questions about Nasdaq's listing standards or forms that listed companies are required to submit?

Identification
Number 1142

For questions on listing requirements, including corporate governance requirements, and forms for listed companies, please contact Nasdaq's [Listing Qualifications Department](#), which is responsible for monitoring companies for compliance with the initial and continued listing requirements.

Representatives of listed companies can also log into the [Listing Center](#) to get contact information for their dedicated continued listing analyst.

Publication Date*: 1/26/2016

Identification Number: 1142

If a company currently trading on the Nasdaq Stock Market is considering changing its symbol, how does it reserve a symbol, and what information is required?

Identification
Number 487

A company may submit a request to reserve a new symbol for trading on the Nasdaq Stock Market by using our [online form](#). The company may reserve one symbol and the reservation will remain in place for up to 24 months.

The company should contact Corporate Data Operations by phone at +1 203 926 3501 or +1 877 308 0523 or via email at nasdaqreorgs@nasdaq.com no later than two business days in advance of the desired change date to coordinate the symbol change. The company should also log in to the [Listing Center](#) and complete the Company Event Notification. The company must provide documentation that the symbol reservation has been confirmed by Nasdaq Symbol Reservations.

Please note that Nasdaq does not assess a fee for a symbol change or any other corporate action.

Publication Date*: 11/30/2017

Identification Number: 487

How should a company refer to Nasdaq in SEC filings that ask for the name of the exchange where the company is, or will be, listed or registered?

Identification
Number 1055

Nasdaq's formal name, which should be included in SEC filings that ask for the name of the exchange where the company is, or will be, listed or registered, is The Nasdaq Stock Market LLC.

What are the requirements for a Nasdaq listed company to list a new class of securities?

Identification
Number 1058

Companies listed on Nasdaq must complete an application to list a new class of securities. The application can be made through [The Nasdaq Listing Center](#). Direct any questions about this to [Nasdaq Listing Qualifications](#).

What are the fees for a Nasdaq listed company to list a new class of securities?

Identification
Number 1057

There are no fees for companies listed on the Nasdaq Global or Global Select Markets, except for a non-refundable \$25,000 initial application fee.

For companies listed on the [Nasdaq Capital Market](#), the company will owe application and entry fee, as set forth in [Listing Rule 5900 Series](#) and further detailed in our [Initial Listing Guide](#). The company should submit the application fee at the time of application. Shortly after listing, the company will be sent an invoice for the entry fee.

Entry fees for listing a new class of securities on the Capital Market are based on the total shares outstanding of the new security at the time of listing. However, the total amount of entry fees owed by a company for all classes of securities on the same fee schedule that are listed on the Capital Market is presently capped at \$75,000. If a company has previously paid entry fees up to the applicable fee cap, then only the application fee is charged for listing the new class of securities.

How does Nasdaq communicate that a company does not comply with a continued listing standard? Does Nasdaq publish a list of non-compliant companies?

Identification
Number 352

Since August 2005, Nasdaq has broadcast an indicator over its market data dissemination network, noting when a Nasdaq-listed company failed to submit its regulatory filings on time, failed to meet Nasdaq's continued listing standards, and/or filed for bankruptcy. The indicator is displayed along with quotation information related to a company's securities on [Nasdaq.com](#) and [NasdaqTrader.com](#) and may be displayed by other third party providers of market data information. Nasdaq also posts a list of all non-compliant Nasdaq companies and the reason(s) for such non-compliance on our website.

In addition, each trading day, Nasdaq publishes a list of companies that are non-compliant with its continued listing standards. In the event of a bankruptcy, a company is added to the list two business days after notification by Nasdaq. In all other instances of non-compliance, a company is added to the list five business days after notification. A company is removed from the list one business day after Nasdaq determines that it has regained compliance, or the company's securities no longer trade on Nasdaq.

Click [here](#) to view the list.

What is the effect of a regulatory trading halt?

Identification
Number 377

In certain cases, Nasdaq may determine that it is appropriate to halt trading in a security. This may occur, for example, when a company is unable to file its periodic reports, resulting in a lack of publicly available information about the company, due to circumstances that raise significant public interest concerns. The length of a trading halt can vary and there are no prescribed rules that limit how long trading may be halted. Nasdaq will only resume trading when the company has fully responded to Nasdaq's information requests and Nasdaq determines that sufficient information is publicly available.

The imposition of a regulatory trading halt by Nasdaq has the effect of precluding all trading in the affected security. As such, trading cannot occur on other exchanges or in the over-the-counter market. While Nasdaq recognizes that a trading halt can disadvantage existing investors, Nasdaq's primary regulatory responsibility is to prospective investors.

Publication Date*: 7/31/2012

Identification Number: 377

Is a fee required when a company submits a compliance plan to Nasdaq staff?

Identification
Number 1092

No, there is no fee when a company submits a compliance plan to Nasdaq staff. However, if a company's plan for a quantitative deficiency is to transfer from the Global or Global Select Market to the Capital Market, the company must submit a \$5,000 application fee for review of the transfer application.

Publication Date*: 11/30/2017

Identification Number: 1092

May a company appeal a delisting determination from Staff?

Identification
Number 423

Yes. A listed company that has received a delisting determination letter from Nasdaq may appeal that determination by requesting a hearing. A company that has been denied initial listing may also appeal the denial by requesting a hearing. The delisting determination letter (or denial of listing letter) contains information about how and when to request a hearing, as well as the consequences of failing to request a hearing.

Publication Date*: 7/31/2012

Identification Number: 423

Does Nasdaq have the authority to deny a company or delist a company that otherwise meets the quantitative and qualitative criteria for initial or continued listing?

Identification
Number 415

Yes. As set forth in [Listing Rule 5101](#) and [IM-5101-1](#), in addition to applying the enumerated criteria set forth in Listing Rules [5200](#), [5300](#), [5400](#), [5500](#), [5600](#) and [5700](#), Nasdaq will exercise broad discretionary authority over the initial and continued inclusion of securities in Nasdaq in order to maintain the quality of and public confidence in its market.

Publication Date*: 5/15/2023

Identification Number: 415

Does Nasdaq list companies that use a contract-based structure, such as a variable interest entity ("VIE"), to operate some or all of its business(es)?

Identification
Number 1116

In certain markets, including China, there are restrictions on ownership of businesses in certain industries by foreign persons. To overcome these restrictions, a company may adopt a corporate structure, such as a VIE, whereby control of the operating company is obtained, not through ownership, but rather through a series of legal agreements between the operating company and the VIE company that is owned by public shareholders. There have been instances in the past where companies using this structure have lost control of their China-based operating companies to the detriment of public shareholders of the VIE entity.

There are no Listing Rules that prohibit listing companies that use such a structure. However, Listing Qualifications will review the disclosures and documents surrounding the company's corporate structure and agreements and may request additional information or impose additional requirements. In addition, an investor considering investing in such a company may want to consider the company's disclosures, including risk factors in its prospectus, and understand, among other things:

- The reasons why the company uses a VIE structure for its business(es);
- Whether the company has a plan to unwind or dissolve the VIE structure in the future, especially if restrictions on foreign ownership are eased or lifted;
- Whether there is a legally enforceable power of attorney or similar document that confers upon the company all legal rights of the VIE(s), including the right to all economic benefits and the ability to exercise control over the VIE's operations, assets and employees;
- Whether the company has obtained legal opinions from local counsel regarding, among other things: (i) the legality of the VIE structure under applicable law and regulations; (ii) the enforceability of the contractual arrangements that underlie the VIE structure;

- and (iii) whether the successors or assignees of the VIE's shareholder(s) are bound by and subject to the VIE contracts;
- Whether there are any government or regulatory rulings relevant to the use and legality of the company's VIE structure(s) and whether there are any objections or concerns raised by governmental entities or regulatory authorities regarding the use of a VIE structure;
- Whether the company has obtained all necessary government and regulatory approvals to operate the VIE business(es); Whether the VIE structure allows the company to consolidate the financial results of the VIE(s) under applicable accounting principles;
- Whether any of the VIE shareholders are also officers, directors or employees of the company or any subsidiary and, if so, a description of any arrangements or structures to address conflicts of interest that may arise under such circumstances;
- Whether the company is required to and has the ability to repatriate revenues generated by, or amounts advanced to, the VIE business(es).

Publication Date*: 8/8/2014

Identification Number: 1116

What are the listing implications for a company filing for bankruptcy protection?

Identification
Number 408

[Listing Rules 5101, 5110\(b\)](#) and [IM-5101-1](#) provide that a company may be delisted in the event it files for bankruptcy protection or is subject to similar proceedings, or that such a filing is imminent. Nasdaq will generally issue a delisting letter following such a filing. While the company may request a review of this determination before a Nasdaq Hearings Panel, in accordance with the Rule 5800 Series, please note that such a request does not stay the suspension of the company's securities, and any trading during the Hearings Panel review process would take place in the over-the-counter market and not on Nasdaq. See [Hearings FAQs](#) for additional information.

Publication Date*: 3/21/2023

Identification Number: 408

What happens to trading in the securities of a company after it announces a bankruptcy filing?

Identification
Number 409

When a company announces that it has filed for bankruptcy protection or is subject to similar proceedings, or that such a filing is imminent, Nasdaq usually will impose a news dissemination halt. Generally, trading will be allowed to resume 30 minutes following release of the news. Shortly following the resumption of trading, Nasdaq will issue a delisting letter to the company, which will indicate that the company will be delisted in nine calendar days from the date of the determination letter unless it requests a hearing within seven calendar days. The company is required to publicly disclose that it has received this letter as soon as possible, but in no event later than four business days from receipt of the letter. Hearings are generally scheduled within 30-45 days of the date of Nasdaq's delisting letter. Please note that a Hearing request by a company in bankruptcy does not stay the suspension of the company's securities, and any trading during the Hearings Panel review process would take place in the over-the-counter market and not on Nasdaq.

In addition, Nasdaq will broadcast an indicator over its market data dissemination network noting the company's non-compliance. The indicator will be displayed with quotation information related to the company's securities on providers of market data information, such as [Nasdaq.com](#) and [NasdaqTrader.com](#). Also, Nasdaq posts a list of all non-compliant Nasdaq companies and the reason(s) for such non-compliance on our website. Click [here](#) to view the list. The company will be included in this list commencing two business days from the date of the delist letter.

Publication Date*: 3/21/2023

Identification Number: 409

What is Nasdaq's compliance process for companies failing to meet the minimum market value of listed securities requirement?

Identification
Number 361

Nasdaq-listed companies not qualifying for continued listing based on market value of listed securities ("MVLS") are notified of a deficiency after 30 consecutive trading days of non-compliance with the applicable standard and are afforded a 180 calendar day compliance period to regain compliance.

In order to achieve compliance with the MVLS requirement, a company must demonstrate compliance with the applicable standard for a minimum of 10 consecutive business days. Although an automated computer system tracks each company's bid price and MVLS on a daily basis, it is suggested that the company contact its Listing Qualifications Analyst via email at continuedlisting@nasdaq.com or by

phone at +1 301 978 8008 when it believes compliance has been achieved. Nasdaq will provide all compliance determinations, in writing, to the company.

If the compliance period expires without compliance being achieved, the company will be issued a delisting notification. The company may appeal Nasdaq's determination to delist at that time. See [Hearings FAQs](#) for additional information.

Publication Date*: 7/31/2012

Identification Number: 361

What is Nasdaq's compliance process when a company has less than the required number of market makers?

Identification
Number 363

When a company has fewer than the requisite number of market makers for 10 consecutive trading days, Nasdaq will notify the company of the deficiency. The company will be provided 30 calendar days to regain compliance, which can be demonstrated by maintaining the minimum number of market makers for 10 consecutive trading days. If the 30-day compliance period expires, the company will be issued a delisting letter, which it may appeal at that time. Please note that an Electronic Communications Network is not considered a market maker for the purposes of this rule. See [Hearings Process FAQs](#) for additional information.

Publication Date*: 7/31/2012

Identification Number: 363

If a company has received a delisting notice for a compliance concern other than the minimum \$1.00 bid price requirement, can it still submit a transfer application?

Identification
Number 473

Yes. If a company has received a delisting notice for failure to meet the continued listing criteria for the Global Market and Global Select Market, and would like to transfer to the Capital Market, the company should request a Hearing and submit a transfer application. Nasdaq Staff will review the application for compliance with the Capital Market's continued listing standards, and if the application is approved prior to the Hearing, the Hearing will become moot and will be canceled.

Publication Date*: 7/31/2012

Identification Number: 473

If a company listed on the Nasdaq Global Market or the Nasdaq Global Select Market receives a delisting notice for a compliance concern other than the minimum \$1.00 bid price requirement, and is also in the initial 180-day compliance period for the minimum \$1.00 bid price requirement, can such a company submit an application to transfer its listing to the Nasdaq Capital Market?

Identification
Number 474

Yes. A company in this situation can submit a transfer application provided that it meets the continued listing requirements for the Nasdaq Capital Market. If the company's initial 180 day compliance period has not expired, the company will be afforded the balance of the initial 180-day compliance period. In order for the company to be eligible for an additional 180-day compliance period on the Capital Market, the company must meet the minimum \$1 million market value of publicly held shares requirement and all of the Capital Market's other initial listing criteria, excepting bid price, upon the expiration of the initial 180-day compliance period. Accordingly, if such expiration is imminent, Nasdaq Staff may not approve the transfer application if the company does not meet these standards. The company should contact its Listing Qualifications analyst via phone at +1 301 978 8008 to discuss this matter, including the Hearings process and the amount of time necessary to complete the application prior to a hearing.

Publication Date*: 7/31/2012

Identification Number: 474

If a company is delinquent in the payment of its Nasdaq fees, will it be delisted?

Identification
Number 421

As set forth in [Listing Rule 5250\(f\)](#), a Nasdaq-listed company is obligated to pay all applicable fees as described in the [Listing Rule 5900 Series](#). Failure to pay such fees on a timely basis may subject the company to delisting proceedings.

Publication Date*: 7/31/2012

Identification Number: 421

What continued listing criteria must a company meet if it listed on the Nasdaq Capital Market under the

Identification
Number 1022

alternative listing requirements for securities with a bid price below \$4?

A Company that listed under the alternative price listing requirement must meet the same continued listing criteria as any other company including, but not limited to, [Listing Rule 5550](#).

While not a continued listing requirement, if such a company fails to satisfy at least one of the alternatives set forth in SEC Rule 3a51-1 under the Act, the company's security may be considered a Penny Stock and Nasdaq will include the company on a list of such securities available [here](#). The alternatives contained in SEC Rule 3a51-1 include having net tangible assets in excess of \$2,000,000, if the company has been in continuous operation for at least three years, or \$5,000,000, if the company has been in continuous operation for less than three years; average revenue of at least \$6,000,000 for the last three years; or a price of at least \$5.

Publication Date*: 7/31/2012

Identification Number: 1022

What disclosure is required for a waiver to the Code of Conduct for an officer or director that extends beyond one year?

Identification
Number 100

For ongoing matters or matters extending beyond one year, disclosure is required at least annually.

Publication Date*: 7/31/2012

Identification Number: 100

Does Nasdaq require listed companies to have a full-time Chief Financial Officer?

Identification
Number 1049

SEC rules and the Sarbanes-Oxley Act impose heightened obligation on the CFO of a public company, including the requirement to certify the company's periodic financial statements. Given the importance of this role and the complexities of the accounting rules and practices related to ongoing businesses operations, Nasdaq expects listed operating companies to employ a full-time CFO.

Publication Date*: 10/29/2021

Identification Number: 1049

What is a "public shell"?

Identification
Number 484

A company with no or nominal operations and either no or nominal assets, assets consisting solely of cash and cash equivalents, or assets consisting of any amount of cash and cash equivalents and nominal other assets is a "public shell". Nasdaq believes that there should be a "facts and circumstances" analysis applied in determining whether a company is a public shell and has not adopted a bright-line or qualitative test for determining whether a particular company is a public shell. Similarly, in adopting rules regarding shell companies, the Securities and Exchange Commission also declined to adopt a quantitative threshold to define a shell company, as doing so would, "present a serious potential problem, as [a quantitative threshold] would be more easily circumvented". [Exchange Act Release No. 52038 (July 15, 2005), 70 FR 42234 (July 21, 2005)]

In making its determination, Nasdaq will look to a number of factors, including, but not limited to:

- What percentage of the company's assets are active vs. passive;
- Does the company generate revenues;
- What is the nature of any revenues generated (passive vs. active);
- Are the company's expenses reasonably related to the revenues being generated;
- How many employees support the business operations;
- What is management's role in the company's investments;
- How long has the company been without material business operations;
- Is the company subject to registration under the Investment Company Act of 1940; and
- How has the company defined itself in its filings with regulators.

Listed companies determined to be public shells by Nasdaq may be subject to delisting proceedings or additional and more stringent criteria. If Nasdaq makes such a determination, the company will be notified in writing and may appeal Nasdaq's determination at that time. See [Hearings FAQs](#) for additional information. Nasdaq recommends that companies contact their Listing Analyst or Listing Qualifications at +1 301 978 8008 with any questions regarding the determination process.

What is a Public Reprimand letter?

Identification
Number 482

A Public Reprimand letter is issued when Nasdaq Staff determines that a company has violated Nasdaq rules, but does not believe the circumstances warrant delisting the company. A Public Reprimand is generally issued to address inadvertent violations of Nasdaq's corporate governance rules.

A company that receives a Public Reprimand letter must publicly disclose receipt of the letter by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the Reprimand, including the Rule(s) upon which the Reprimand was based, and describing each specific basis and concern identified by Nasdaq in reaching its determination that the company does not meet the listing standard.

Before the release of the public announcement, the company must provide a copy of the announcement to Nasdaq's MarketWatch Department. As described in [Listing Rule 5250\(b\)\(1\)](#) and [IM-5250-1](#), the company must notify MarketWatch about the announcement through the [Electronic Disclosure Submission System](#), except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Nasdaq market hours, the company must notify MarketWatch at least ten minutes prior to the announcement. If the public announcement is made outside of Nasdaq's market hours, the company must notify MarketWatch of the announcement prior to 6:50 a.m. ET. The company should make the public announcement as promptly as possible, but not more than four business days following receipt of the Reprimand letter.

A company that receives a Public Reprimand letter has the opportunity to appeal Nasdaq's determination to a Hearings Panel. See [Hearings FAQs](#) for additional information.

Under what circumstances may Nasdaq issue a Public Reprimand letter?

Identification
Number 483

Nasdaq Staff will issue a Public Reprimand letter when it determines that a company has violated Nasdaq rules, but does not believe the circumstances warrant delisting the company. A Public Reprimand is generally issued to address inadvertent violations of Nasdaq's corporate governance rules.

Some of the factors Nasdaq will consider in determining whether to issue a Public Reprimand letter are as follows:

- Was the violation inadvertent;
- Did the violation have a material adverse impact on shareholders' interests;
- What was the scope of the violation;
- Upon discovery of the violation, was the violation cured and how quickly was it cured;
- Did the company reasonably rely on an independent advisor;
- Has the company demonstrated a pattern of rule violations; and
- Did the company proactively report the violation to Nasdaq?

Examples of situations where Nasdaq has issued a Public Reprimand include:

Example 1: [Listing Rules 5605\(d\)](#) and [5605\(e\)](#) - Failure to comply with Independent Committee requirements

The company's Proxy indicated that its CEO was a member of its Nominating Committee (the "Committee"). However, as an executive officer, the CEO is precluded from being an Independent Director. In that regard, the company violated the Rules since they require that executive compensation and director nominees must be selected or recommended, either by: (i) a majority of the independent directors; or, (ii) a committee comprised solely of independent directors. Staff was advised that after the company's CEO joined the Committee, it only met once. Upon Staff's notification to the company of the violations, it promptly regained compliance by having the CEO resign from the Committee.

Example 2: [Listing Rules 5605\(d\)](#) and [5605\(e\)](#) - Failure to comply with Independent Committee and Controlled Company Exemption requirements

The company's Proxy stated that it was a Controlled Company because more than 50% of its voting power was held by a single entity and that it was relying on the Controlled Company exemption to allow a non-independent director to serve on both its Compensation and Nominating Committees. Staff determined that contrary to the disclosure in the Proxy, the company was no longer eligible to rely upon the Controlled Company exemption because an increase in its total shares outstanding had lowered the entity's voting control below 50%. Within a week of Staff bringing this issue to the company's attention, it acted to cure the violation by appointing another independent director to the Compensation and Nominating Committees. However, the company stated that the board had determined to continue the committee service of the non-independent directors in reliance on the exceptional and limited circumstances exception contained in Listing Rules 5605(d)(3) and 5605(e)(3), which reliance was appropriately disclosed.

Example 3: Listing Rule 5635(c) - Shareholder Approval Violation

The company notified Nasdaq that as a result of a recent review of its Stock Incentive Plan (the "Plan"), it discovered that stock options had been granted in excess of the number of shares authorized under the shareholder approved plan. To regain compliance with the shareholder approval requirements, the company obtained written waivers from each officer and director holding such awards, pursuant to which they waived the right to exercise their options unless and until the shareholders of the company vote in favor of an increase in the number of shares authorized for issuance under the Plan. This approval would include the excess awards as well as additional equity incentives to provide for future grants. The company expects to solicit the vote of its shareholders at its next annual meeting.

Publication Date*: 11/19/2019

Identification Number: 483

How is market value of publicly held shares ("MVPHS") calculated?

Identification
Number 359

MVPHS is calculated by multiplying the publicly held shares (as reported in the Statement of Beneficial Ownership table, provided in a Definitive Proxy Statement, or annual reports on Forms 10-K, 20-F or 40-F), which is total shares outstanding less any shares held by officers, directors, employee stock ownership plans, or beneficial owners of 10% or more, by the closing bid price.

Publication Date*: 11/19/2019

Identification Number: 359

What is Nasdaq's compliance process for companies failing to meet the minimum market value of publicly held shares requirement ("MVPHS")?

Identification
Number 360

Nasdaq companies listed on the Global and Global Select Markets must maintain either \$5,000,000 or \$15,000,000 MVPHS depending on the listing standard under which they qualify. Companies listed on the Capital Market must maintain \$1,000,000 MVPHS. If a Nasdaq-listed company trades below the applicable MVPHS requirement for 30 consecutive business days, it will be notified of the deficiency and afforded a 180 calendar day compliance period to regain compliance with the applicable standard.

In order to achieve compliance with the MVPHS requirement, a company must meet the applicable standard for a minimum of 10 consecutive business days. Although an automated computer system tracks each company's bid price and MVPHS on a daily basis, it is suggested that the company contact its Listing Qualifications Analyst via email at continuedlisting@nasdaq.com or by phone at +1 301 978 8008 when it believes compliance has been achieved. Nasdaq will provide all compliance determinations, in writing, to the company.

If the compliance period expires without compliance being achieved, a company listed on the Nasdaq Capital Market will be issued a delisting notification. Similarly, a company listed on the Nasdaq Global or Global Select Market that is ineligible to transfer to the Capital market, will be issued a delisting notification. The company may appeal Nasdaq's determination to delist at that time. See [Hearings FAQs](#) for additional information.

Publication Date*: 11/19/2019

Identification Number: 360

What is Nasdaq's compliance process for companies failing to meet the \$1.00 minimum bid price requirement?

Identification
Number 354

If a company trades for 30 consecutive business days below the \$1.00 minimum closing bid price requirement, Nasdaq will send a deficiency notice to the company, advising that it has been afforded a "compliance period" of 180 calendar days to regain compliance with the applicable requirements.

Thereafter, if such a company does not regain compliance with the bid price requirement a second 180-day compliance period may be

available. A company listed on the Nasdaq Capital Market may be eligible for an additional 180-day compliance period if it meets the market value of publicly held shares requirement for continued listing, all other initial inclusion requirements for the Capital Market, except for the bid price requirement, and provides written notice that it intends to regain compliance with the bid price requirement during the second 180-day compliance period, by effecting a reverse stock split if necessary.

Similarly, if a company listed on the Nasdaq Global Select Market or Global Market company is unable to comply with the bid price requirement prior to the expiration of its 180-day compliance period, it may transfer to the Nasdaq Capital Market, so as to take advantage of the additional compliance period offered on that market. Such a company must meet the \$1 million market value of publicly held shares requirement for continued listing, and all other requirements for initial listing on the Nasdaq Capital Market (except for the bid price requirement), and provide written notice that it intends to regain compliance with the bid price requirement during the second 180-day compliance period, by effecting a reverse stock split if necessary. If a company does not provide written notice of 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.

A Nasdaq Global or Global Select Market company that is in the Hearings Process for the minimum \$1.00 bid price requirement can submit a transfer application ONLY if it meets the continued listing requirement for market value of publicly held shares and all other initial listing criteria (except initial bid price) for the Capital Market. If the application is approved, the company's securities will be transferred to the Capital Market. The company will be granted the balance of the second 180-day compliance period to resolve its \$1.00 bid price deficiency.

Publication Date*: 7/31/2012

Identification Number: 354

How does Nasdaq measure the bid price of a security?

Identification
Number 355

Nasdaq uses the consolidated closing bid price as of 4 PM Eastern Time to determine whether a company complies with the bid price requirements for continued listing. A Nasdaq company can view its security's relevant closing bid price on Nasdaq Online (www.nasdaq.net). This information is under the "4:00 Close" column in the "Bids and Asks" tab of the "Trade History." Nasdaq-listed companies can also call their representative at Nasdaq's Market Intelligence Desk. Companies can find the telephone number for their representative by logging into Nasdaq Online and clicking on "My MID." When requesting this information, please be sure to specify the consolidated closing bid price.

Publication Date*: 7/31/2012

Identification Number: 355

How does a company regain compliance with the minimum bid price requirement?

Identification
Number 356

In order to regain compliance with the minimum bid price requirement, a security must have a closing bid price of \$1.00 or more for 10 consecutive business days.

Although an automated computer system tracks each company's bid price on a daily basis, it is suggested that the company contact its Listing Qualifications Analyst via email continuedlisting@nasdaq.com or by phone at +1 301 978 8008 when it believes compliance has been achieved. Nasdaq will provide all compliance determinations, in writing, to the company.

Under certain circumstances, to ensure that the company can sustain long-term compliance, Nasdaq may require the closing bid price to equal or to exceed the \$1.00 minimum bid price requirement for more than 10 consecutive business days before determining that a company complies. In determining whether to look beyond the 10 days, Nasdaq will consider, but is not limited to, the following factors:

- Margin of compliance (the amount by which the price is above the \$1.00 minimum standard);
- Trading volume (a lack of trading volume may indicate a lack of bona fide market interest in the security at the posted bid price);
- The market maker montage (e.g., if only one of eight market makers is quoting at or above the minimum bid price and the quote is only for 100 shares, then added scrutiny may be appropriate); and
- The trend of the stock price (is it moving up or down?).

Publication Date*: 7/31/2012

Identification Number: 356

Does Nasdaq accept reverse stock splits as a method to regain compliance with the minimum bid price requirement?

Identification
Number 357

Yes. Nasdaq views reverse stock splits as an acceptable method to regain compliance. If the company determines to implement a reverse stock split, it will need to log in to the [Listing Center](#) and complete a Company Event Notification at least 15 calendar days prior to the implementation of the reverse split.

Note that Nasdaq does not assess a fee for a reverse stock split or any other substitution listing event. Please contact Corporate Data Operations at +1 877 308 0523 if you need assistance.

Publication Date*: 11/30/2017

Identification Number: 357

Is there a limit to the number of times a listed company may effect a reverse stock split to maintain or regain compliance with the bid price requirement?

Identification
Number 1516

While Nasdaq rules do not impose a specific limit on the number of times a listed company may effect a reverse stock split to maintain or regain compliance with the bid price requirement, a series of reverse stock splits may undermine investor confidence in securities listed on Nasdaq, especially where the reverse stock splits follow dilutive transactions.

However, pursuant to Listing Rule 5810(c)(3)(A)(iv), if a Company's security fails to meet the continued listing requirement for minimum bid price and the Company has effected one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one, then the Company shall not be eligible for a 180-day compliance period and the Listing Qualifications Department shall issue a Staff Delisting Determination.

A company considering whether a reverse stock split or proposed transaction raises such concerns is encouraged to contact its Listing Qualifications analyst by phone at +1 301 978 8008 to discuss the transaction prior to entering into a definitive agreement.

Publication Date*: 4/10/2023

Identification Number: 1516

What happens if a company does not regain compliance with the minimum bid price requirement during the compliance period?

Identification
Number 358

If a company is unable to resolve its bid price deficiency during the applicable compliance period, Nasdaq Staff will issue a delisting letter. At that time, the company may request a hearing before a Hearing Panel, which will stay the delisting.

The company will have the opportunity to present its plan to regain compliance to the Panel. This plan of compliance should include the implementation of a reverse stock split in the near term. In appropriate cases, and so long as a company commits to implementation of a reverse split within 180 days of the delisting notification, Panels may also consider other factors, such as the company's fundamental financial strengths and weaknesses, the overall market conditions, the company's historical bid price, and impending disclosures, corporate actions and strategic business plans that the company believes may impact its bid price.

Publication Date*: 7/31/2012

Identification Number: 358

If a company has fallen below the stockholders' equity, total assets and total revenue, net income from continuing operations, publicly held shares or shareholders requirement, will it be delisted?

Identification
Number 364

Not immediately. Based on the company's periodic public filings, Nasdaq will determine if it is still in compliance with these requirements. If Nasdaq determines that the company no longer complies with a particular requirement, then Nasdaq will issue a letter requesting that the company submit a plan of compliance. In general, these plans are due within 45 calendar days, although Staff, in its discretion, may shorten this period. Upon review of the company's plan of compliance, Nasdaq will determine whether:

- The company has regained compliance;
- An extension of time is warranted; or
- To initiate delisting proceedings.

In each circumstance, Nasdaq will notify the company of the decision in writing. For further information, please see [Listing Rule 5810](#)

regarding Staff review of deficiencies. If Nasdaq determines to delist the securities, the company may appeal at that time. See [Hearings FAQs](#) for additional information.

Publication Date*: 7/31/2012

Identification Number: 364

A company has been cited for a deficiency in shareholders' equity, and would like to sell additional shares to regain compliance, but is unable to do so given existing market conditions. Can the company gain additional time to regain compliance?

Identification
Number 365

Nasdaq Staff and Hearings Panels are aware of the difficulties that market conditions present for companies attempting to raise additional capital. If a company submits a plan of compliance that involves raising capital, and despite taking all reasonable steps, is unable to execute the plan in the near term due to market conditions, then Nasdaq Staff and/or the Hearings Panel will take that into account in determining whether to grant the company an exception to the full extent of its discretion.

Publication Date*: 7/31/2012

Identification Number: 365

A company has been cited for failing to meet the stockholders' equity requirement. What factors should the company consider when preparing the plan of compliance?

Identification
Number 366

In the submission to the Listing Qualifications Staff, please note the following suggested guidelines:

- The submission should be definitive, concise and directly address the company's plan to regain compliance in the near term and maintain compliance over the long term.
- Nasdaq's Listing Rules allow Staff to provide a company up to 180 calendar days from the date of the deficiency notice to regain compliance. The company should take this into consideration when drafting its plan of compliance. In addition, the plan should discuss the company's ability to sustain compliance for the next six to twelve months. Note that the 180 day extension is not automatic. Extensions of time may vary and are not granted in all cases.
- If the company's plan of compliance includes a private placement involving common stock, or any securities convertible or exercisable into common stock, a merger, a debt conversion, or other similar transactions, please ensure that the proposed action complies with Nasdaq's corporate governance requirements, particularly the shareholder approval rules, and other provisions of the Listing Rules. If necessary, the company should file the Listing of Additional Shares Notification Form. Please contact your Listing Qualifications analyst for further guidance on these matters.
- If a transaction is being contemplated to remedy the deficiency, please include a balance sheet and income statement evidencing the pro forma effect of the transaction. The financial statements should be based on historical financial information, not more than 45 days old. Please show three columns of data - historical, all adjustments, and the pro-forma totals.
- The submission should include projections, if available, for the next 12 months. Please include balance sheet and income projections. Clearly state all assumptions being made.
- Provide copies of all definitive or draft agreements or contractual arrangements for private placements, mergers, or other financial arrangements. Please include a list of investors for private placements. The company should file all applicable Listing of Additional Shares Notifications electronically through the Listing Center.
- Plans relying on future projected revenues to comply with the equity requirement are generally not accepted unless the company has definitive contracts and the revenue will be received in the near term.
- Nasdaq will consider the company's net losses when reviewing a proposed equity-raising transaction to determine whether the plan is sufficient to regain and sustain compliance with the equity requirement.

Please contact your Listing Qualifications Analyst at +1 301 978 8008 for further assistance.

Publication Date*: 7/31/2012

Identification Number: 366

For companies that have been cited for failure to meet the stockholders' equity requirement, what are some examples of plans of compliance that have been accepted by Nasdaq?

Identification
Number 367

A company listed on the Nasdaq Capital Market provided a definitive agreement for an asset sale, which would raise \$50 million in the near term. Based on a pro forma balance sheet, after accounting for projected net losses, the company would have equity of more than \$15 million immediately after the transaction and more than \$10 million at the end of the fiscal year, in excess of the \$2.5 million requirement.

A company listed on the Nasdaq Global Market announced its intention to complete a public offering in the near term and provided a press release announcing the pricing of an underwritten firm commitment public offering. Net proceeds of the offering were expected to be approximately \$40 million. Subsequently, the company filed a pro forma balance sheet, adjusted to reflect the public offering, showing stockholders equity of approximately \$45 million, in excess of the \$10 million requirement.

A company listed on the Nasdaq Global Market stated that certain holders of the company's warrants had exercised 500,000 warrants for proceeds of \$12 million. Staff had concerns with the company's ability to sustain compliance based on the company's history of losses. In that regard, the company provided definitive agreements from the warrant holders relating to the exercise of additional warrants, which when exercised, would result in proceeds to the company of \$5,000,000. Based on the exercise, the company stated that stockholders equity had increased to approximately \$22 million, on a pro forma basis, in excess of the \$10 million requirement.

A company listed on the Nasdaq Global Market announced the acquisition of a target company shortly after receiving notice from Nasdaq that it was not in compliance with the \$10 million minimum equity requirement. Therefore, the company believed that it had already achieved compliance with the minimum equity standard and anticipated that it would be able to file audited financial statements and pro forma financial information to reflect compliance within two weeks

Publication Date*: 7/31/2012

Identification Number: 367

For companies that have been cited for failure to meet the stockholders' equity requirement, what is an example of a plan of compliance that has not been accepted by Nasdaq?

Identification
Number 368

A company listed on the Nasdaq Global Market stated that it was pursuing a potential convertible note offering of between \$20 million and \$30 million to be completed before the end of the year, followed by an equity offering of up to \$30 million. The company was not able to complete the convertible note offering in the near term and did not provide definitive documentation, for either transaction.

Publication Date*: 7/31/2012

Identification Number: 368