Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Exhibit 2 Sent As Paper Document
Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposal to amend listing rules applicable to companies whose business plan is to complete one or more business combinations

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Aravind
Title * Senior Associate General Counsel
E-mail * aravind.menon@nasdaq.com
Telephone * (301) 978-8416

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 02/25/2021
By John Zecca

EVP and Chief Legal Counsel

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.
If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.
1. **Text of the Proposed Rule Change**
   
   (a) On September 3, 2020, the Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)\(^1\) and Rule 19b-4 thereunder,\(^2\) filed with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend listing rules applicable to companies whose business plan is to complete one or more business combinations (the “Original Proposal”). The Exchange is filing this proposal (“Amendment No. 1”) to amend the Original Proposal. Amendment No. 1 supersedes the Original Proposal in its entirety to add an additional disclosure requirement.

   With this Amendment No. 1, the Exchange is including Exhibit 4, which reflects the changes to the text of the proposed rule change as set forth in the Original Proposal, and Exhibit 5, which reflects all proposed changes to the Exchange’s current rule text.

   (b) Not applicable.

   (c) Not applicable.

2. **Procedures of the Self-Regulatory Organization**

   The proposed rule change was approved by the Board of Directors of the Exchange on July 16, 2019. No other action is necessary for the filing of the rule change.

   Questions and comments on the proposed rule change may be directed to:

   Aravind Menon  
   Senior Associate General Counsel  
   Nasdaq, Inc.  
   301-978-8416

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

   a. **Purpose**

   Nasdaq is filing this amendment to SR-NASDAQ-2020-062, which was published for comment by the Commission on September 16, 2020.³ The original proposal would allow certain acquisition companies listed under IM-5101-2 with a 15-day period after closing a business combination to provide evidence that the combined company satisfied the round lot shareholder requirement for initial listing at the time of the business combination. This Amendment No. 1 would require a company relying on this 15-day period to file a Form 8-K, were required by SEC rules, or issue a press release noting that the company is relying upon the additional 15 calendar days available under Nasdaq rules to demonstrate compliance.

   In 2009, Nasdaq adopted additional listing requirements for a company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time ("Acquisition Companies").⁴ Such a company is required to keep at least 90% of the proceeds from its initial public offering 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

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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 the combined company does not meet the initial listing requirements following a business combination, Nasdaq Staff will issue a Staff Delisting Determination under Nasdaq Rule 5810.

Under the existing rules, “following each business combination” with an Acquisition Company, the resulting company must satisfy all initial listing requirements. The rule does not provide a timetable for the company to demonstrate that it satisfies those requirements, however. Accordingly, Nasdaq proposes to modify the rule to specify if the Acquisition Company demonstrates that it will satisfy all requirements except the applicable round lot shareholder requirement, then the company will receive 15 calendar days following the closing to demonstrate that it satisfied the applicable round lot shareholder requirement immediately following the transaction’s closing.

Ordinarily, in determining compliance with the round lot shareholder requirement at the time of a business combination, Nasdaq will review a company’s public disclosures

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5 See Nasdaq Rule IM-5101-2(d) and (e).

6 See Nasdaq Rule IM-5101-2(d). If a shareholder vote on the business combination is not held, the company must provide all shareholders with the opportunity to redeem their shares for cash equal to their pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes). Nasdaq Rule IM-5101-2(e).
and information provided by the company about the transaction. For example, the merger agreement may result in the Acquisition Company issuing a round lot of shares to more than 300 holders of the target of the business combination at closing. If public information is not available that enables Nasdaq to determine compliance, Nasdaq will typically request that the company provide additional information such as registered shareholder lists from the company's transfer agent, data from Cede & Co. about shares held in street name, or data from broker-dealers and from third parties that distribute information such as proxy materials for the broker-dealers.\(^7\) If the company can provide information demonstrating compliance before the business combination closes, no further information would be required.

However, Nasdaq has observed that in some cases it can be difficult for a company to obtain evidence demonstrating the number of shareholders that it has or will have following a business combination. As noted above, shareholders of an Acquisition Company may redeem or tender their shares until just before the time of the business combination, and the company may not know how many shareholders will choose to redeem until very close to the consummation of the business combination. In cases where the number of round lot shareholders is close to the applicable requirement, this could affect the ability for Nasdaq to determine compliance before the business combination closes. Accordingly, for a company that has demonstrated that it will satisfy all initial listing requirements except for the round lot shareholder requirement before consummating the business combination, Nasdaq will allow the company 15 calendar days to

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\(^7\) Companies must seek this information from third parties because many accounts are held in street name and shareholders may object to being identified to the company.
days after the closing of the business combination, if necessary, to demonstrate that it also complied with the round lot requirement at the time of the business combination. To be clear, the company must still demonstrate that it satisfied the round lot shareholder requirement immediately following the business combination; the proposal is merely giving the company 15 calendars days to provide evidence that it did.

Providing Acquisition Companies with an additional 15 days to demonstrate compliance with the round lot rule as of the date of the business combination will result in the continuation of the listing of companies that have completed a business combination but not yet demonstrated that they satisfied all initial listing requirements. For this reason, the Exchange proposes that each Acquisition Company that has not demonstrated compliance with the applicable round lot shareholder requirement on the date of the business combination’s closing will be required to issue a press release or file a Form 8-K, if required, prior to closing of the business combination, stating that the company is relying upon the additional 15 calendar days available under Nasdaq rules to demonstrate compliance. The company also will be required to note that in the event it is unable to demonstrate compliance, the company will be subject to delisting. In the event the Acquisition Company does not make the required public disclosure prior to the closing of the business combination, Nasdaq will halt trading in the company’s securities until such time as the required announcement is made public.

Nasdaq believes that this proposal balances the burden placed on the Acquisition Company to obtain accurate shareholder information for the new entity and the need to ensure that a company that does not satisfy the initial listing requirements following a business combination enters the delisting process promptly. If the company does not
evidence compliance within the proposed time period, Nasdaq staff would issue a delisting determination, which the company could appeal to an independent Hearings Panel as described in the 5800 Series of the Nasdaq Rules. Nasdaq also believes that the disclosure requirement will help provide transparency to investors about the status of the company during this time.

Finally, Nasdaq proposes a non-substantive change to eliminate a duplicate paragraph in paragraphs (d) and (e) of IM-5101-2 and to add a new paragraph designation.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act, 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, by imposing a specific timeline for Acquisition Companies to demonstrate that they will comply with the initial listing requirements following a business combination and allowing a reasonable period of time for the company to provide evidence that it complied with the round lot shareholder requirement at the time of the business combination.

The proposed rule would specify the time when an Acquisition Company must demonstrate compliance with the initial listing standards following the completion of a business combination, thereby enhancing investor protection. Specifically, it would

require an Acquisition Company to provide evidence before completing the business
combination that it will satisfy all requirements for initial listing, except for the round lot
shareholder requirement. While the proposed rule would allow Acquisition Companies
15 calendar days, if needed, to provide evidence that they also complied with the round
lot shareholder requirement at the time of the business combination, that additional time
is a reasonable accommodation given both the difficulty companies face in identifying
their shareholders and the ability for the Acquisition Company’s shareholders to redeem
their shares when the business combination is consummated. In that regard, Acquisition
Companies are unlike other newly listing companies, which do not face redemptions and
are not already listed and trading at the time they must demonstrate compliance.
Importantly, the company must still demonstrate that it satisfied the round lot shareholder
requirement immediately following the business combination. The proposed rule also
requires an Acquisition Company utilizing the additional 15 day period after closing of
the business combination to file a Form 8-K, were required by SEC rules, or issue a press
release, prior to the closing of the business combination, noting that the company is
relying upon the additional 15 calendar days available under Nasdaq rules to demonstrate
compliance. The company must also note that in the event it is unable to demonstrate
compliance, the company will be subject to delisting. In the event the Acquisition
Company does not make the required disclosure prior to the listing of the combined
company, Nasdaq will halt trading in the company’s securities until such time as the
required announcement is made public. The Exchange believes this disclosure
requirement will ensure that prospective investors are aware that the company has not yet
demonstrated that it meets the shareholder requirement and therefore may be delisted. In
light of these requirements, Nasdaq believes that the proposed rule change appropriately balances the protection of prospective investors with the protection of shareholders of the Acquisition Company, the latter of whom would be harmed if Nasdaq issued a delisting determination at a time when the company did, in fact, satisfy all initial listing requirements but could not yet provide proof.

The proposed rule change is also consistent with Section 6(b)(7) of the Act in that it provides a fair procedure for the prohibition or limitation by the Exchange of any person with respect to access to services offered. The proposed rule change accounts for the particular difficulties encountered by Acquisition Companies when attempting to determine their total number of shareholders due to the ability of shareholders to redeem their shares. Acquisition Companies will still be required to demonstrate compliance with all initial listing standards immediately following the business combination, which is the initial listing of the combined company. This is no different from the requirements imposed on other newly listing companies.

The non-substantive changes to eliminate a duplicate paragraph in paragraphs (d) and (e) of IM-5101-2 and to add a new paragraph designation will improve the rule’s readability and thereby remove an impediment to a free and open market and a national market system and help to better protect investors, which Nasdaq believes is consistent with the requirements of Section 6(b)(5) of the Act.10

4. **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

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Act. The proposed rule would clarify that a company listing in connection with a merger with an Acquisition Company must provide evidence before completing the business combination that it will satisfy all requirements for initial listing, although a reasonable accommodation would be made to allow the company to demonstrate compliance with the round lot shareholder requirement before issuing a delisting letter if that is the only requirement that the company cannot demonstrate compliance with before completing the business combination. This change is not expected to have any impact on competition.

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

On December 21, 2020, the Commission issued an Order Instituting Proceedings\(^\text{11}\) ("OIP") pursuant to Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the Original Proposal superseded by this Amendment No. 1. In response to the OIP, the Council of Institutional Investors ("CII") submitted a comment letter dated January 7, 2021.\(^\text{12}\) Simultaneous to the submission of this Amendment No. 1, the Exchange is submitting a comment letter in response to the Commission’s OIP. That comment letter addresses the issues raised in the CII comment letter.

6. **Extension of Time Period for Commission Action**

The Exchange does not consent to an extension of the time period for Commission action.

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12 See Letter from Jeffrey P. Mahoney, Council of Institutional Investors Letter to Secretary, Securities and Exchange Commission (January 7, 2021). CII also raised concerns with the SPAC structure that are outside the scope of Nasdaq’s proposal.
7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

   Not applicable.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

   Not applicable.

9. **Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

   Not applicable.

10. **Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

    Not applicable.

11. **Exhibits**

    1. A notice of the proposed rule change for publication in the Federal Register.
    4. Amended text of the proposed rule change.
    5. Text of the proposed rule change.
EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2020-062)

February__, 2021

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change to Amend Listing Rules Applicable to Companies whose Business Plan is to Complete One or More Business Combinations

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 February 25, 2021, 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 amend listing rules applicable to companies whose business plan is to complete one or more business combinations (the "Original Proposal"). The Exchange is filing this proposal ("Amendment No. 1") to amend the Original Proposal. Amendment No. 1 supersedes the Original Proposal in its entirety to add an additional disclosure requirement.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Nasdaq is filing this amendment to SR-NASDAQ-2020-062, which was published for comment by the Commission on September 16, 2020. The original proposal would allow certain acquisition companies listed under IM-5101-2 with a 15-day period after closing a business combination to provide evidence that the combined company satisfied the round lot shareholder requirement for initial listing at the time of the business combination. This Amendment No. 1 would require a company relying on this 15-day period to file a Form 8-K, were required by SEC rules, or issue a press release noting that the company is relying upon the additional 15 calendar days available under Nasdaq rules to demonstrate compliance.

In 2009, Nasdaq adopted additional listing requirements for a company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time.

(“Acquisition Companies”).\textsuperscript{4} Such a company is required to keep at least 90\% of the proceeds from its initial public offering 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.\textsuperscript{5} 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.\textsuperscript{6} If the combined company does not meet the initial listing requirements following a business combination, Nasdaq Staff will issue a Staff Delisting Determination under Nasdaq Rule 5810.

Under the existing rules, “following each business combination” with an Acquisition Company, the resulting company must satisfy all initial listing requirements. The rule does not provide a timetable for the company to demonstrate that it satisfies those requirements, however. Accordingly, Nasdaq proposes to modify the rule to specify if the Acquisition Company demonstrates that it will satisfy all requirements


\textsuperscript{5} See Nasdaq Rule IM-5101-2(d) and (e).

\textsuperscript{6} See Nasdaq Rule IM-5101-2(d). If a shareholder vote on the business combination is not held, the company must provide all shareholders with the opportunity to redeem their shares for cash equal to their pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes). Nasdaq Rule IM-5101-2(e).
except the applicable round lot shareholder requirement, then the company will receive
15 calendar days following the closing to demonstrate that it satisfied the applicable
round lot shareholder requirement immediately following the transaction’s closing.

Ordinarily, in determining compliance with the round lot shareholder requirement
at the time of a business combination, Nasdaq will review a company's public disclosures
and information provided by the company about the transaction. For example, the
merger agreement may result in the Acquisition Company issuing a round lot of shares to
more than 300 holders of the target of the business combination at closing. If public
information is not available that enables Nasdaq to determine compliance, Nasdaq will
typically request that the company provide additional information such as registered
shareholder lists from the company's transfer agent, data from Cede & Co. about shares
held in street name, or data from broker-dealers and from third parties that distribute
information such as proxy materials for the broker-dealers.\(^7\) If the company can provide
information demonstrating compliance before the business combination closes, no further
information would be required.

However, Nasdaq has observed that in some cases it can be difficult for a
company to obtain evidence demonstrating the number of shareholders that it has or will
have following a business combination. As noted above, shareholders of an Acquisition
Company may redeem or tender their shares until just before the time of the business
combination, and the company may not know how many shareholders will choose to
redeem until very close to the consummation of the business combination. In cases

\(^7\) Companies must seek this information from third parties because many accounts
are held in street name and shareholders may object to being identified to the
company.
where the number of round lot shareholders is close to the applicable requirement, this could affect the ability for Nasdaq to determine compliance before the business combination closes. Accordingly, for a company that has demonstrated that it will satisfy all initial listing requirements except for the round lot shareholder requirement before consummating the business combination, Nasdaq will allow the company 15 calendar days after the closing of the business combination, if necessary, to demonstrate that it also complied with the round lot requirement at the time of the business combination. To be clear, the company must still demonstrate that it satisfied the round lot shareholder requirement immediately following the business combination; the proposal is merely giving the company 15 calendars days to provide evidence that it did.

Providing Acquisition Companies with an additional 15 days to demonstrate compliance with the round lot rule as of the date of the business combination will result in the continuation of the listing of companies that have completed a business combination but not yet demonstrated that they satisfied all initial listing requirements. For this reason, the Exchange proposes that each Acquisition Company that has not demonstrated compliance with the applicable round lot shareholder requirement on the date of the business combination’s closing will be required to issue a press release or file a Form 8-K, if required, prior to closing of the business combination, stating that the company is relying upon the additional 15 calendar days available under Nasdaq rules to demonstrate compliance. The company also will be required to note that in the event it is unable to demonstrate compliance, the company will be subject to delisting. In the event the Acquisition Company does not make the required public disclosure prior to the
closing of the business combination, Nasdaq will halt trading in the company’s securities until such time as the required announcement is made public.

Nasdaq believes that this proposal balances the burden placed on the Acquisition Company to obtain accurate shareholder information for the new entity and the need to ensure that a company that does not satisfy the initial listing requirements following a business combination enters the delisting process promptly. If the company does not evidence compliance within the proposed time period, Nasdaq staff would issue a delisting determination, which the company could appeal to an independent Hearings Panel as described in the 5800 Series of the Nasdaq Rules. Nasdaq also believes that the disclosure requirement will help provide transparency to investors about the status of the company during this time.

Finally, Nasdaq proposes a non-substantive change to eliminate a duplicate paragraph in paragraphs (d) and (e) of IM-5101-2 and to add a new paragraph designation.

2. **Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act, 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, by imposing a specific timeline for Acquisition Companies to demonstrate that they will comply with

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the initial listing requirements following a business combination and allowing a
reasonable period of time for the company to provide evidence that it complied with the
round lot shareholder requirement at the time of the business combination.

The proposed rule would specify the time when an Acquisition Company must
demonstrate compliance with the initial listing standards following the completion of a
business combination, thereby enhancing investor protection. Specifically, it would
require an Acquisition Company to provide evidence before completing the business
combination that it will satisfy all requirements for initial listing, except for the round lot
shareholder requirement. While the proposed rule would allow Acquisition Companies
15 calendar days, if needed, to provide evidence that they also complied with the round
lot shareholder requirement at the time of the business combination, that additional time
is a reasonable accommodation given both the difficulty companies face in identifying
their shareholders and the ability for the Acquisition Company’s shareholders to redeem
their shares when the business combination is consummated. In that regard, Acquisition
Companies are unlike other newly listing companies, which do not face redemptions and
are not already listed and trading at the time they must demonstrate compliance.

Importantly, the company must still demonstrate that it satisfied the round lot shareholder
requirement immediately following the business combination. The proposed rule also
requires an Acquisition Company utilizing the additional 15 day period after closing of
the business combination to file a Form 8-K, were required by SEC rules, or issue a press
release, prior to the closing of the business combination, noting that the company is
relying upon the additional 15 calendar days available under Nasdaq rules to demonstrate
compliance. The company must also note that in the event it is unable to demonstrate
compliance, the company will be subject to delisting. In the event the Acquisition Company does not make the required disclosure prior to the listing of the combined company, Nasdaq will halt trading in the company’s securities until such time as the required announcement is made public. The Exchange believes this disclosure requirement will ensure that prospective investors are aware that the company has not yet demonstrated that it meets the shareholder requirement and therefore may be delisted. In light of these requirements, Nasdaq believes that the proposed rule change appropriately balances the protection of prospective investors with the protection of shareholders of the Acquisition Company, the latter of whom would be harmed if Nasdaq issued a delisting determination at a time when the company did, in fact, satisfy all initial listing requirements but could not yet provide proof.

The proposed rule change is also consistent with Section 6(b)(7) of the Act in that it provides a fair procedure for the prohibition or limitation by the Exchange of any person with respect to access to services offered. The proposed rule change accounts for the particular difficulties encountered by Acquisition Companies when attempting to determine their total number of shareholders due to the ability of shareholders to redeem their shares. Acquisition Companies will still be required to demonstrate compliance with all initial listing standards immediately following the business combination, which is the initial listing of the combined company. This is no different from the requirements imposed on other newly listing companies.

The non-substantive changes to eliminate a duplicate paragraph in paragraphs (d) and (e) of IM-5101-2 and to add a new paragraph designation will improve the rule’s readability and thereby remove an impediment to a free and open market and a national
market system and help to better protect investors, which Nasdaq believes is consistent with the requirements of Section 6(b)(5) of the Act.\textsuperscript{10}

B. **Self-Regulatory Organization’s Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule would clarify that a company listing in connection with a merger with an Acquisition Company must provide evidence before completing the business combination that it will satisfy all requirements for initial listing, although a reasonable accommodation would be made to allow the company to demonstrate compliance with the round lot shareholder requirement before issuing a delisting letter if that is the only requirement that the company cannot demonstrate compliance with before completing the business combination. This change is not expected to have any impact on competition.

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

On December 21, 2020, the Commission issued an Order Instituting Proceedings\textsuperscript{11} (“OIP”) pursuant to Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the Original Proposal superseded by this Amendment No. 1. In response to the OIP, the Council of Institutional Investors (“CII”) submitted a comment letter dated January 7, 2021.\textsuperscript{12} Simultaneous to the submission of this Amendment No. 1, 10 U.S.C. 78f(b)(5).


\textsuperscript{12} See Letter from Jeffrey P. Mahoney, Council of Institutional Investors Letter to Secretary, Securities and Exchange Commission (January 7, 2021). CII also raised concerns with the SPAC structure that are outside the scope of Nasdaq’s proposal.
the Exchange is submitting a comment letter in response to the Commission’s OIP. That comment letter addresses the issues raised in the CII comment letter.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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 (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2021-062 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-2021-062. This file number should be included on the subject line if e-mail 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 Web site

Copies of the submission, all subsequent amendments, all written statements with
respect to the proposed rule change that are filed with the Commission, and all written
communications relating to the proposed rule change between the Commission and any
person, other than those that may be withheld from the public in accordance with the
provisions of 5 U.S.C. 552, will be available for website viewing and printing in the
Commission’s Public Reference Room, 100 F Street, NE, Washington, DC 20549, on
official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing
also will be available for inspection and copying at the principal office of the Exchange.
All comments received will be posted without change; the Commission does not edit
personal identifying information from submissions. You should submit only information
that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2021-062 and should
be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to
delegated authority.13

J. Matthew DeLesDernier
Assistant Secretary

EXHIBIT 4

This Exhibit 4 shows the changes proposed in this Amendment No. 1, with the proposed changes in the original filing shown as if adopted. Proposed additions in this Amendment No. 1 appear underlined; proposed deletions appear in [brackets].

The Nasdaq Stock Market Rules

* * * * *

IM-5101-2. Listing of Companies Whose Business Plan is to Complete One or More Acquisitions

Generally, Nasdaq will not permit the initial or continued listing of a Company that has no specific business plan or that has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies.

However, in the case of a Company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, Nasdaq will permit the listing if the Company meets all applicable initial listing requirements, as well as the conditions described below.

(a) - (c) No change.

(d) Until the Company has satisfied the condition in paragraph (b) above, if the Company holds a shareholder vote on a business combination for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act in advance of the shareholder meeting, the business combination must be approved by a majority of the shares of common stock voting at the meeting at which the combination is being considered. 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 deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A Company may establish a limit (set no lower than 10% of the shares sold in the IPO) as to the maximum number of shares with respect to which any Shareholder, together with any affiliate of such Shareholder or any person with whom such shareholder is acting as a "group" (as such term is used in Sections 13(d) and 14(d) of the Act), may exercise such conversion rights. For purposes of this paragraph (d), public Shareholder excludes officers and directors of the Company, the Company's sponsor, the founding Shareholders of the Company, and any Family Member or affiliate of any of the foregoing persons, or the beneficial holder of more than 10% of the total shares outstanding.
(e) Until the Company has satisfied the condition in paragraph (b) above, if a shareholder vote on the business combination is not held for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act, 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 (net of taxes payable and amounts distributed to management for working capital purposes), pursuant to Rule 13e-4 and Regulation 14E under the Act, which regulate issuer tender offers. The Company must file tender offer documents with the Commission containing substantially the same financial and other information about the business combination and the redemption rights as would be required under Regulation 14A of the Act, which regulates the solicitation of proxies.

(f) Until the Company completes a business combination where all conditions in paragraph (b) above are met, the 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. To satisfy this condition, the Company must provide evidence before completing the business combination that it will satisfy all requirements for initial listing. However, if the Company demonstrates that it will satisfy all requirements except the applicable round lot shareholder requirement, then the Company will receive 15 calendar days following the closing of the business combination to demonstrate that it satisfied the applicable round lot shareholder requirement immediately following the transaction’s closing. Any Company relying upon the 15 day period to demonstrate that it has satisfied the applicable round lot shareholder requirement must, prior to the listing of the combined Company, make a public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release explaining that it is required to demonstrate a specific number of round lot holders, that it has not yet provided evidence that it complies with that requirement, and that it will be subject to delisting if it is unable to demonstrate such compliance within 15 calendar days. Nasdaq will halt trading in the Company’s securities if the Company does not timely provide this notice. If the Company does not meet the requirements for initial listing following a business combination or does not comply with one of the requirements set forth above, Nasdaq will issue a Staff Delisting Determination under Rule 5810 to delist the Company's securities.

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The Nasdaq Stock Market Rules

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**IM-5101-2. Listing of Companies Whose Business Plan is to Complete One or More Acquisitions**

Generally, Nasdaq will not permit the initial or continued listing of a Company that has no specific business plan or that has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies.

However, in the case of a Company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, Nasdaq will permit the listing if the Company meets all applicable initial listing requirements, as well as the conditions described below.

(a) - (c) No change.

(d) Until the Company has satisfied the condition in paragraph (b) above, if the Company holds a shareholder vote on a business combination for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act in advance of the shareholder meeting, the business combination must be approved by a majority of the shares of common stock voting at the meeting at which the combination is being considered. 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 deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A Company may establish a limit (set no lower than 10% of the shares sold in the IPO) as to the maximum number of shares with respect to which any Shareholder, together with any affiliate of such Shareholder or any person with whom such shareholder is acting as a "group" (as such term is used in Sections 13(d) and 14(d) of the Act), may exercise such conversion rights. For purposes of this paragraph (d), public Shareholder excludes officers and directors of the Company, the Company's sponsor, the founding Shareholders of the Company, and any Family Member or affiliate of any of the foregoing persons, or the beneficial holder of more than 10% of the total shares outstanding.

[Until the Company completes a business combination where all conditions in paragraph (b) above are met, the 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 following a business combination or does not comply with one of the requirements set forth above, Nasdaq will issue a Staff Delisting Determination under Rule 5810 to delist the Company's securities.

(e) Until the Company has satisfied the condition in paragraph (b) above, if a shareholder vote on the business combination is not held for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act, 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 (net of taxes payable and amounts distributed to management for working capital purposes), pursuant to Rule 13e-4 and Regulation 14E under the Act, which regulate issuer tender offers. The Company must file tender offer documents with the Commission containing substantially the same financial and other information about the business combination and the redemption rights as would be required under Regulation 14A of the Act, which regulates the solicitation of proxies.

(f) Until the Company completes a business combination where all conditions in paragraph (b) above are met, the 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. To satisfy this condition, the Company must provide evidence before completing the business combination that it will satisfy all requirements for initial listing. However, if the Company demonstrates that it will satisfy all requirements except the applicable round lot shareholder requirement, then the Company will receive 15 calendar days following the closing of the business combination to demonstrate that it satisfied the applicable round lot shareholder requirement immediately following the transaction’s closing. Any Company relying upon the 15 day period to demonstrate that it has satisfied the applicable round lot shareholder requirement must, prior to the listing of the combined Company, make a public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release explaining that it is required to demonstrate a specific number of round lot holders, that it has not yet provided evidence that it complies with that requirement, and that it will be subject to delisting if it is unable to demonstrate such compliance within 15 calendar days. Nasdaq will halt trading in the Company’s securities if the Company does not timely provide this notice. If the Company does not meet the requirements for initial listing following a business combination or does not comply with one of the requirements set forth above, Nasdaq will issue a Staff Delisting Determination under Rule 5810 to delist the Company's securities.

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