SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Certain Annual Listing Fees


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), and Rule 19b–4 thereunder, notice is hereby given that on November 13, 2020, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("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 a rule change to modify certain listing fees. While changes proposed herein are effective upon filing, the Exchange has designated the proposed amendments to be operative on January 1, 2021.


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

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

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

1. Purpose

The purpose of the proposed rule change is to modify the Exchange’s all-inclusive annual listing fees for all domestic and foreign companies listing equity securities covered by Listing Rules 5910 and 5920 on the Nasdaq Global Select, Global and Capital Markets.

Currently, for companies listed on the Capital Market, other than, in part, ADRs, Closed-end Funds and Limited Partnerships, the all-inclusive annual fee ranges from $43,000 to $77,000; for ADRs listed on the Capital Market the all-inclusive annual fee ranges from $43,000 to $51,000; and for Limited Partnerships listed on the Capital Market the all-inclusive annual fee ranges from $31,000 to $38,500. On the Global and Global Select Markets, the all-inclusive annual fee for companies other than, in part, ADRs, Closed-end Funds and Limited Partnerships ranges from $46,000 to $159,000; for ADRs the all-inclusive annual fee ranges from $46,000 to $82,000; and for Limited Partnerships the all-inclusive annual fee ranges from $38,500 to $79,500. The all-inclusive annual fee for Closed-end Funds listed on any market tier ranges from $31,000 to $102,500. In each case, a company’s all-inclusive annual fee is based on its total shares outstanding.

Nasdaq proposes to amend the all-inclusive annual fee for all domestic and foreign companies listing equity securities on the Nasdaq Global Select, Global and Capital Markets to the following amounts, effective January 1, 2021:

3 REITs are subject to the same fee schedule as other equity securities; however for the purpose of determining the total shares outstanding, shares outstanding of all members in a REIT Family listed on the same Nasdaq market tier may be aggregated. Similarly, for the purpose of determining the total shares outstanding, fund sponsors may aggregate shares outstanding of all Closed-End Funds in the same fund family listed on the Nasdaq Global Market or the Nasdaq Capital Market. See Listing Rules 5910(b)(2) and 5920(b)(2).

The proposed fee change reflects about a 2.5% increase rounded to the nearest $500.
Nasdaq also proposes to update the maximum fee applicable to a Closed-End Fund family and the maximum fee applicable to a REIT Family to reflect the proposed fee change for other equity securities, as described above.5

As described below, Nasdaq proposes to make the aforementioned fee increases to better reflect the Exchange’s costs related to listing equity securities and the corresponding value of such listing to issuers.

Nasdaq also proposes to remove references to fees that are no longer applicable because they were superseded by new fee rates specified in the rule text.

While these changes are effective upon filing, Nasdaq has designated the proposed amendments to be operative on January 1, 2021.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,6 in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,7 in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Nasdaq believes that it is not unfairly discriminatory and represents an equitable allocation of reasonable fees to amend Listing Rules 5910(b)(2) and 5920(b)(2) to increase the various listing fees8 as set forth above because of the

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5 See footnote 3 above.


7 15 U.S.C. 78f(b)(4) and (5).

8 In 2014, Nasdaq adopted an all-inclusive annual listing fee schedule to simplify, clarify and enhance transparency around the annual fee to which listed companies are subject. See Securities Exchange Act Release No. 73647 (November 19, 2014), 79 FR 70232 (November 25, 2014) [SR-NASDAQ-2014–87]. Effective January 1, 2017, Nasdaq reduced the fees for limited partnerships listed on Nasdaq. See...
increased costs incurred by Nasdaq since it established the current rates. In that regard, the Exchange notes that its
general costs to support our listed
companies have increased, including due to price inflation. The Exchange also continues to expand and improve the
services it provides to listed
companies as well as the technology and the virtual experience available with the Nasdaq MarketSite. Nasdaq has also invested in a community-building program for listed companies through the creation of the Nasdaq Network, which brings together industry leaders in both public and private spheres, to help Nasdaq’s clients and partners more effectively connect with other industry
leaders and c-suite individuals for partnership opportunities.

Nasdaq also believes that it is not
unfairly discriminatory and represents
an equitable allocation of reasonable fees to amend Listing Rules 5910(b)(2) and 5920(b)(2) to increase the various
listing fees while rounding the increase
to the nearest $500 as set forth above
because such rounding represents de
minimis variation in fees for Nasdaq
listed companies. In addition, Nasdaq has used the same methodology since
the adoption of the all-inclusive annual
listing fee schedule and all annual
listing fees under Listing Rules
5910(b)(2) and 5920(b)(2) are rounded to
$500.

The proposed change to update the
maximum fee applicable to a Closed-
End Fund family and the maximum fee
applicable to a REIT Family to reflect the
change for other equity securities, as described above, is not
unfairly discriminatory because it
merely reflects the change in fees for
other equity securities without changing
the substance of the rule.

Finally, Nasdaq notes that it operates in a
highly competitive market in which
market participants can readily switch exchanges if they deem the listing fees
excessive.9 In such an environment,
Nasdaq must continually review its fees to assure that they remain competitive.

The proposed removal of text relating to
fees that are no longer applicable is
ministerial in nature and has no
substantive effect.

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, as amended.

The market for listing services is
extremely competitive and listed
companies may freely choose alternative
venues, both within the U.S. and
internationally. For this reason, Nasdaq
does not believe that the proposed rule
change will result in any burden on
competition for listings.

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

No written comments were either
solicited or received.

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

The foregoing rule change has become
effective pursuant to Section
19(b)(3)(A)(ii) of the Act.10

At any time within 60 days of the filing of the proposed rule change, the
Commission summarily may
temporarily suspend such rule change if
it appears to the Commission that such
action is: (i) Necessary or appropriate in the
public interest; (ii) for the protection of investors; or (iii) otherwise in
furtherance of the purposes of the Act.

If the Commission takes such action, the
Commission shall institute proceedings
to determine whether the proposed rule
should be approved or disapproved.

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 email to rule-comments@
  sec.gov. Please include File Number SR–
  NASDAQ–2020–072 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–2020–072. This
file number should be included on the
subject line if email is used. To help the
Commission process and review your
comments more efficiently, please use
only one method. The Commission will
post all comments on the Commission’s
internet website (http://www.sec.gov/
  rules/sro.shtml). 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. Persons submitting comments are cautioned that we do not redact or edit
personal identifying information from
comment submissions. You should
submit only information that you wish
to make available publicly. All
submissions should refer to File
Number SR–NASDAQ–2020–072 and
should be submitted on or before

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

J. Matthew DeLesDernier,
Assistant Secretary.

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9 The Justice Department has noted the intense
competitive environment for exchange listings. See
“NASDAQ OMX Group Inc. and
IntercontinentalExchange Inc. Abandon Their
Proposed Acquisition Of NYSE Euronext After
Justice Department Threatens Lawsuit” (May 16,
