Cross-Border Listings Guide - Nasdaq

Quick Summary

| Contents |
| --- |
| To generate table of contents, right-click here and select **Update Field.** |

# Initial financial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

To qualify for listing on the Nasdaq Global Market, a company typically must meet at least one of the following tests:

**Income**

Annual pre-tax income of at least US$1 million (in the last fiscal year or two of the last three fiscal years).

Stockholders' equity of at least US$15 million.

Unrestricted publicly held shares with a market value of at least US$8 million.

At least three registered and active market makers.

**Equity**

Stockholders' equity of at least US$30 million.

At least a two-year operating history.

Unrestricted publicly held shares with a market value of at least US$18 million.

At least three registered and active market makers.

**Market value**

Listed securities with a market value of at least US$75 million.

Unrestricted publicly held shares with market value of at least US$20 million.

At least four registered and active market makers.

**Total assets/total revenue**

Total assets and total revenue of at least US$75 million each (in the last fiscal year or two of the last three fiscal years).

Unrestricted publicly held shares with a market value of at least US$20 million.

At least four registered and active market makers.

# Other initial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

*Share price.* The shares must have a bid price of at least US$4.

*Distribution.* To list its securities, a company must have:

At least 1.1 million unrestricted publicly held shares.

*At least 400 holders of 100 or more shares, with at least 50% of them holding unrestricted securities with a market value of at least US$2,500 (SPACs are excluded from this requirement).*

*Accounting standards*. Audited financial statements must be prepared in compliance with US GAAP or IFRS (as issued by IASB); or, if prepared in compliance with local GAAP (including any non-IASB IFRS), they must be reconciled to US GAAP. Domestic issuers must have US GAAP financials.

*Financial statements*. The registration statement must generally include three years' audited financial statements, provided that only two years of audited financials are required for "emerging growth companies".

*Operating history.* In most cases, Nasdaq does not require a specific length of operating history. However, a company listing under the equity standard (described in the left column) must have at least a two-year operating history.

*Management continuity.* Nasdaq does not require any specific period of continuity of management.

*Other markets.* Nasdaq also offers listings on the Nasdaq Global Select Market (which has the most stringent listing standards) and the Nasdaq Capital Market (which is designed for smaller capitalization companies). Information about these other Nasdaq markets is available upon request.

# Listing process

[Last updated: 1 January 2024, unless otherwise noted]

Listing involves registering the class of securities with the Securities and Exchange Commission. The SEC will typically review the registration statement, including the prospectus. The following is a fairly typical process and timetable for a listing of an issuer on Nasdaq via underwritten public offering in the US.

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/nasdaqlisting-process.pdf)

# Corporate governance and reporting

[Last updated: 1 January 2024, unless otherwise noted]

Requirements for public companies include, among others:

Audit committee of independent directors, or a board of auditors or similar body.

Meeting certain diversity requirements for the board of directors, or explaining the reasons for not doing so, and making certain annual disclosures regarding the diversity of the board.

CEO/CFO certifications in certain SEC filings.

Prohibitions on loans to executive officers.

Review of relationships with auditors.

Required reports by attorneys of evidence of material violations.

Protection of whistleblowers.

Code of ethics for senior and financial officers.

Potential forfeiture of CEO and CFO bonuses or certain other types of compensation as well as the recovery of incentive-based compensation that is erroneously "received" by current and former executive officers for fiscal periods preceding the date of an accounting restatement.

Restrictions on disparate reductions or restrictions of voting rights of common stockholders.

A listed "foreign private issuer" may elect to follow home country practices, but must publicly disclose how its corporate governance practices differ from domestic Nasdaq companies' practices and must submit to Nasdaq certain certifications.

A listed company has disclosure and reporting obligations both to Nasdaq and the SEC.

There are no US residency requirements for directors or officers.

# Fees

[Last updated: 1 January 2024, unless otherwise noted]

A company seeking to list must pay both initial listing fees and annual fees. The initial listing fee for Nasdaq Global Market is US$295,000, which includes a US$25,000 application fee. The annual all-inclusive fee, which covers all the ordinary costs of listing for the year, ranges from US$52,500 to US$182,500 for companies other than ADR issuers and from US$52,500 to US$94,000 for ADR issuers. The entry fee on any Nasdaq tier for a SPAC is US$80,000, which includes a US$5,000 application fee. Additional costs include printing expenses and registration fees required by the SEC, as well as legal and accounting fees.

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