

Nasdaq Provides Temporary Relief From Shareholder Approval Rules for Certain Securities Issuances

Alert

05.06.2020

The [SEC has approved Nasdaq's proposal](#) to temporarily modify certain rules in an effort to streamline listed companies' access to capital. The rule proposal is immediately effective.

New Listing Rule 5636T provides a limited temporary exception to the shareholder approval requirements:

- For transactions other than a public offering in Listing Rule 5635(d)
- In certain narrow circumstances, a limited attendant exception to shareholder approval rules for equity compensation plans in Listing Rule 5635(c)

The temporary exception also provides that a company that relies on the exception is not subject to the 15-day prior notification requirement described in Rule 5250(e)(2).

The exception is not available for the shareholder approval requirements related to equity compensation in Listing Rule 5635(c) (except for the limited circumstances described in the exception), certain acquisitions of the stock or assets of another company described in Listing Rule 5635(a) and a change of control in Listing Rule 5635(b).

The temporary exception is available until and including June 30, 2020.

Read an [expanded analysis](#) of Nasdaq's relief on Stinson's Corporate and Securities Law blog.

For more information on the new rule, please contact [Steve Quinlivan](#), Bryan Pitko, Ashlee Germany, [Jack Bowling](#), [Patrick Respeliars](#), [Scott Gootee](#) or the Stinson LLP contact with whom you regularly work.

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