



8011-01

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82478; File No. SR-NASDAQ-2017-087]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Modify the Listing Requirements Related to Special Purpose Acquisition Companies Listing Standards to Reduce Round Lot Holders on Nasdaq Capital Market for Initial Listing From 300 to 150 and Eliminate Public Holders for Continued Listing from 300 to Zero, Require \$5 Million in Net Tangible Assets for Initial and Continued Listing on Nasdaq Capital Market, and Impose a Deadline to Demonstrate Compliance with Initial Listing Requirements on All Nasdaq Markets Within 30 Days Following Each Business Combination

January 9, 2018

I. Introduction

On September 20, 2017, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to modify the listing requirements for Special Purpose Acquisition

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Companies (“SPACs”)³ listed on the Nasdaq Capital Market by reducing the number of round lot holders required for initial listing from 300 to 150, and eliminating the continued listing requirement for a minimum number of holders, which is also currently 300, that applies until the SPAC completes one or more business combinations.⁴ Nasdaq also proposes to require that a SPAC listed on the Nasdaq Capital Market maintain at least \$5 million net tangible assets for initial and continued listing. Finally, Nasdaq is proposing to allow SPACs listed on any of its three listing tiers (Nasdaq Global Select, Nasdaq Global, and Nasdaq Capital Market) 30 days to demonstrate compliance with initial listing requirements following each business combination.⁵

The proposed rule change was published for comment in the Federal Register on October 11, 2017.⁶ On November 22, 2017, the Commission extended the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change, to January 9, 2018.⁷

³ The Commission notes that throughout this order we have used the term “SPAC” or “SPACs.” These terms have the same meaning as “Acquisition Company” which is the term used by Nasdaq in its current proposed rule filing.

⁴ See Nasdaq Rule IM-5101-2(b), and infra note 10 and accompanying text which describes the requirements for the value of the business combination(s).

⁵ The Exchange also proposes to delete a duplicative paragraph from the rule text and alter the paragraphs formatting within certain provisions in order to enhance the rule’s readability. See proposed rule text to Nasdaq Rule IM-5101-2 in Exhibit 5 to Nasdaq-2017-087.

⁶ See Securities Exchange Act Release No. 81816 (October 4, 2017), 82 FR 47269 (“Notice”).

⁷ See Securities Exchange Act Release No. 82142, 82 FR 56293 (November 28, 2017).

The Commission received six comments on the proposal.⁸ This order institutes proceedings under Section 19(b) (2)(B) of the Act to determine whether to approve or disapprove the proposal.

II. Description of Proposal

A. Background on SPACs

A SPAC is a special purpose company whose business plan is to raise capital in an initial public offering (“IPO”) and, within a specific period of time, engage in a merger or acquisition with one or more unidentified companies. Among other things, a SPAC must keep 90% of the gross proceeds of its IPO in an escrow account through the date of a business combination.⁹ The SPAC must complete one or more business combinations, having an aggregate market value of at least 80% of the value of the deposit account at the time of the agreement to enter into the initial combination, within 36 months of the effectiveness of the IPO registration statement.¹⁰ Additionally, public shareholders who object to a business combination have the right to convert

⁸ See Letters to Brent J. Fields, Secretary, Commission, from Jeffrey M. Solomon, Chief Executive Officer, Cowen and Company, LLC, dated October 19, 2017 (“Cowen Letter”); Jeffrey P. Mahoney, General Counsel, Council of Institutional Investors, dated October 25, 2017 (“CII Letter”); Sean Davy, Managing Director, Capital Markets Division, SIFMA, dated October 31, 2017 (“SIFMA Letter”); Akin Gump Strauss Hauer & Feld LLP, dated November 1, 2017 (“Akin Gump Letter”); Steven Levine, Chief Executive Officer, EarlyBirdCapital, Inc., dated November 3, 2017 (“EarlyBird Letter”); and Christian O. Nagler and David A. Curtiss, Kirkland & Ellis LLP, dated November 9, 2017 (“Kirkland Letter”).

⁹ See Nasdaq Rule IM-5101-2(a).

¹⁰ See Nasdaq Rule IM-5101-2(b). For purposes of this rule, in calculating the 80% value of the deposit account any deferred underwriter fees and taxes payable on the income earned on the deposit account are excluded.

their common stock into a pro rata share of the funds held in escrow.¹¹ Following each business combination the combined company must meet the Exchange's requirements for initial listing of an operating company, including the requirement to maintain a minimum of 300 holders.¹²

B. Description of Proposed Changes to SPAC Listing Standards

The Exchange has proposed to reduce the number of round lot holders required for SPACs initially listing on the Nasdaq Capital Market from 300 to 150.¹³ The Exchange also proposed to completely eliminate the current continued listing requirement that there be a minimum of 300 holders until such time as the SPAC completes one or more business combinations.¹⁴ In support of this proposal, as set forth in more detail in the Notice, Nasdaq states that SPACs often have difficulty demonstrating compliance with these initial and continued listing standards. Based on conversations with market participants, Nasdaq believes this is due to the unique nature of SPACs, and asserts that this limits the number of interested retail investors and encourages owners to hold their shares until an acquisition is announced, which can be as long as three years after the IPO. Nasdaq believes that these same features limit the benefit to investors of having a shareholder requirement, the purpose of which, according to

¹¹ See Nasdaq Rule IM-5101-2(d) & Nasdaq Rule IM-5101-2(e). If a shareholder vote is taken however, under Nasdaq Rule IM-5101-2(d), the right of shareholders voting against a business combination to redeem their shares for cash may be subject to a limit established by the SPAC (that can be set no lower than 10% of the shares sold in the IPO).

¹² See Nasdaq Rule IM-5101-2(d) & Nasdaq Rule IM-5101-2(e) and Nasdaq Rules 5505(a)(3) and 5550(a)(3).

¹³ See proposed rule text to Nasdaq Rule 5505(a)(3) in Exhibit 5 to Nasdaq-2017-087.

¹⁴ See proposed rule text to Nasdaq Rule 5550(a)(3) in Exhibit 5 to Nasdaq-2017-087. Nasdaq Rule 5550(a)(3) currently requires 300 public holders for continued listing of a primary equity security listed on Nasdaq Capital Markets. "Public Holders" is defined to mean holders of a security that includes both beneficial holders and holders of record, but does not include any holder who is, either directly or indirectly, an executive officer, director, or the beneficial holder of more than 10% of the total shares outstanding. See Nasdaq Rule 5005(a)(35).

Nasdaq, is “to help ensure that a stock has an investor following and liquid market necessary for trading.”¹⁵ Among other things, Nasdaq asserted that “the potential for distorted prices occurring as a result of there being few shareholders or illiquidity is less of a concern for [a SPAC’s] investors” because, in the period prior to the business combination, “the value of [a SPAC] is based primarily on the value of the funds it held in trust,” and “shareholders have the right to redeem their shares for a pro rata share of that trust in conjunction with the business combination.”¹⁶ As a result, according to Nasdaq, SPACs generally “have historically traded close to the value in the trust, even when they have had few shareholders, which suggests that their lack of shareholders has not resulted in distorted prices and the associated concerns.”¹⁷ Nasdaq notes that SPACs “must undergo a transformative transaction within 36 months of listing, at which time they must meet all listing requirements, including the shareholder requirement.”¹⁸ In Nasdaq’s view, “[t]his provides an additional protection to shareholders, assuring that any liquidity issues are only temporary.”¹⁹ Finally, Nasdaq observes that “it can be difficult for a company, once listed, to obtain evidence demonstrating the number of its shareholders because many accounts are held in street name” and that this process “is particularly burdensome for [SPACs] because most operating expenses are typically borne by the [SPAC’s] sponsors due to the requirement that the gross proceeds of the initial public offering remain in the trust account until the closing of the business combination.”²⁰

¹⁵ See Notice at 47269.

¹⁶ See Notice at 47269. See also, supra note 11, that refer to possible limits on the amount of shares that can be redeemed on a pro rata basis.

¹⁷ See Notice at 47269.

¹⁸ See Notice at 47269-70.

¹⁹ See Notice at 47270.

²⁰ Id.

The Exchange also proposed to add a new requirement for SPACs to list, and remain listed, on the Nasdaq Capital Market that would require SPACs to maintain at least \$5 million in net tangible assets.²¹ This requirement is being proposed by Nasdaq as an alternative exception to the Commission's penny stock rule, Rule 3a51-1 under the Act, because Nasdaq's proposed changes to the minimum number of holders would result in SPACs listed on the Nasdaq Capital Market no longer qualifying for the current penny stock rule exception that requires listed companies to have 300 round lot holders.²² The \$5 million net tangible assets requirement is an alternative exception to the penny stock rule, and "Nasdaq believes that all [SPACs] currently listed satisfy this alternative."²³ The Exchange stated that it will monitor listed SPACs for compliance with this requirement and, to assist broker-dealers in complying with the penny stock rule, will publish on Nasdaq's website a daily list of any SPAC that no longer meets the net tangible assets requirement, and which does not satisfy any other penny stock exception.

²¹ Net Tangible Assets is defined as total assets less intangible assets and liabilities. See proposed Nasdaq Rule IM-5101-2(f). Under the proposal, if a company is listed prior to approval of the Exchange's proposal it will not need to satisfy this net tangible asset requirement if it has at least 300 public holders.

²² Rule 15g-1 through 15g-9 under the Act impose certain disclosure and additional requirements on brokers and dealers when effecting transactions in penny stocks. See 17 CFR 240.15g-1 to 15g-9. Rule 3a51-1 includes an exception from the definition of penny stock for securities registered on a national securities exchange that has initial listing standards, among others, that requires at least 300 round lot holders. Rule 3a51-1 also has an exception from the penny stock definition if a company has \$5 million in net tangible assets. See 17 CFR 240.3a51-1(a) and 17 CFR 240.3a51-1(g).

²³ See Notice at 47270 in footnote 16.

Further, if a SPAC does not meet the net tangible assets requirement, the Exchange would initiate delisting proceedings under the Nasdaq Rule 5800 Series.²⁴

Finally, the Exchange proposed to add a requirement, applicable to all of its listing tiers (Nasdaq Global Select, Nasdaq Global, and Nasdaq Capital Market), that a listed SPAC must demonstrate that it meets all initial listing requirements within 30 days following each business combination. The Exchange notes that, under its existing rules, following a business combination with a SPAC, “the resulting company must satisfy all initial listing requirements.”²⁵ The Exchange takes the position that “[t]he rule does not provide a timetable for the company to demonstrate that it satisfies those requirements,” so “Nasdaq proposes to codify that a company must demonstrate that it meets the initial listing requirements within 30 days following a business combination.”²⁶ If the SPAC has not demonstrated that it meets all of the initial listing requirements within 30 days following a business combination, then Nasdaq staff would issue a Delisting Determination under the Nasdaq Rule 5800 Series.²⁷

III. Summary of Comments

The Commission received six comment letters on the proposal.²⁸ Five commenters expressed support for the proposed rule change,²⁹ and one commenter did not.³⁰

²⁴ The SPAC is able to request review of the Staff Delisting Determination which would allow it to remain listed for a maximum of 180 calendar days. See Nasdaq Rule 5815. The Exchange states that this limitation will only allow for a SPAC to remain listed for a short period of time and that the process would provide notice to the public. See Notice at 47271.

²⁵ See Notice at 47271. See also Nasdaq Rule IM-5101-2 (d).

²⁶ See Notice at 47271.

²⁷ See Notice at 47271. Nasdaq also proposed other non-substantive changes in its proposal. See also supra note 5.

²⁸ See supra note 8.

The commenters supporting the proposed rule change generally discussed the importance of SPACs as an alternative to a traditional IPO as a path for a company to go public,³¹ and expressed the view that the proposal would reduce burdens on SPACs and facilitate their ability to go public, without undermining investor protections.³² With respect to the proposed changes to the required minimum number of holders, two commenters indicated that reducing these requirements would lessen the costs and administrative burdens on SPACs, which operate with limited funds not held in escrow, to monitor the number of holders.³³ Two commenters asserted that SPACs generally are marketed to institutions, and not retail investors, so that the proposed changes would not harm retail investors.³⁴ Another commenter expressed the view that it can be difficult for SPACs to meet the existing minimum number of holders requirements “due to the high demand from institutional investors in the IPO allocation process.”³⁵ Two commenters believed that, given the unique characteristics of SPACs (e.g., the requirement to complete a business combination within a specified time period, the right of shareholders to a pro rata share of the funds held in escrow, and the tendency to hold shares until a business combination is

²⁹ See Cowan Letter at 1; CII Letter at 4; SIFMA Letter at 2; Akin Gump Letter at 3; EarlyBird Letter at 1; Kirkland Letter at 1.

³⁰ See CII Letter at 1 (requesting more fulsome information and analysis on both proposed holder changes and the proposal to adopt as a listing standard the net tangible assets penny stock exemption).

³¹ See Cowan Letter at 1; SIFMA Letter at 2 (stating 20 percent of public offerings in the first three quarters of 2017 came from SPACs); EarlyBird Letter at 1; Kirkland Letter at 1

³² See SIFMA Letter at 2; EarlyBird Letter at 1; Akin Gump Letter at 3.

³³ See SIFMA Letter at 3 (stating the proposed change would “reduce costs and burdens on [SPACs]” which “have limited funds not held in escrow”); Akin Gump Letter at 2 (arguing the holder requirement “creates significant administrative burden on SPACs” which are “operating with limited funds outside of the trust account”).

³⁴ See Cowen Letter at 1 and EarlyBird Letter at 1.

³⁵ See Akin Gump Letter at 2.

announced), the minimum number of holder requirements did not provide significant investor protection benefits.³⁶

Two commenters specifically supported the \$5 million net tangible assets requirement, noting that this requirement should help SPACs avoid being designated a “penny stock.”³⁷ One commenter noted the proposal by Nasdaq to publish a daily list of SPACs that do not meet the requirement for an exception to the penny stock rules will ensure proper notice is provided to market participants.³⁸

Finally, three of the commenters supporting the proposed rule change also specifically supported the proposal to establish a 30-day period for a listed SPAC to demonstrate compliance with initial listing requirements following a business combination.³⁹ One commenter believed that this “strikes a balance of providing the company with necessary time to manage its limited resources while protecting investors in the same way [Nasdaq] protects investors in operating companies that are conducting their initial public offerings.”⁴⁰ Another commenter expressed the view that the 30-day compliance period “would be important to allow [SPACs] time to

³⁶ See SIFMA Letter at 3 (stating the pro rata right to funds held in the escrow account, the limited amount of time that the SPAC has to complete a business combination and the unique trading fundamentals indicate why a lower or no holder requirement should be required). See also Akin Gump Letter at 2 (asserting that “SPAC investors have further protection from illiquidity because a SPAC must undergo a business combination within the allotted time period or liquidate and return the pro rata share of the trust assets to public investors.”).

³⁷ See SIFMA Letter at 4; and Akin Gump Letter at 3.

³⁸ See Akin Gump Letter at 3.

³⁹ See SIFMA Letter at 4; Akin Gump Letter at 3; Kirkland Letter at 1.

⁴⁰ See SIFMA Letter at 4.

satisfy the listing requirements after the closing of an initial business combination,” given “the uncertainty in stock ownership that redemption elections can bring.”⁴¹

One commenter did not support the proposed rule change, noting that “it does not provide sufficient information for us to make a determination as to whether our members and the capital markets would benefit from the proposed rule changes.”⁴² Areas where this commenter believed more evidence was necessary include: (1) the assertion that price distortions or illiquidity are a lesser concern for SPACs; (2) the analysis that SPACs trade close to the redemption value of the assets held in trust; (3) the number of companies constrained by existing listing standards; and (4) the difficulties demonstrating compliance with existing listing standards, including determining the number of holders.⁴³

IV. Proceedings to Determine Whether to Approve or Disapprove SR-NASDAQ-2017-087 and Ground for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Act to determine whether the proposal should be approved or disapproved.⁴⁴ Institution of such proceedings is appropriate at this time in view of the legal and policy issues raised by the proposal, as discussed below. Institution of disapproval proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved.

Pursuant to Section 19(b)(2)(B) of the Act, the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis and input concerning the proposed rule change’s consistency with

⁴¹ See Kirkland Letter at 1.

⁴² See CII Letter at 1.

⁴³ See CII Letter at 2. This commenter specifically indicated, however, that it did support the proposal to allow listed companies 30 days to demonstrate compliance with the initial listing standards after the consummation of the SPAC’s business combination.

⁴⁴ 15 U.S.C. 78s(b)(2)(B).

the Act⁴⁵ and, in particular, with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of free and open market and a national market system, and, in general, to protect investors and the public interest.⁴⁶

The Commission has consistently recognized the importance of the minimum number of holders and other similar requirements in exchange listing standards.⁴⁷ Among other things, such listing standards help ensure that exchange listed companies have sufficient public float, investor base, and trading interest to provide the depth and liquidity necessary to promote fair and orderly markets.⁴⁸

Nasdaq proposes to lower the minimum number of holders required for initial listing of a SPAC from 300 to 150, and to eliminate the continued listing requirement to have a minimum number of holders until the SPAC completes a business acquisition. In support of its proposal,

⁴⁵ 15 U.S.C. 78f(b)(5).

⁴⁶ Id.

⁴⁷ For example, the Commission has repeatedly stated in approving exchange listing requirements, including Nasdaq's original SPAC listing standards, that the development and enforcement of adequate standards governing the listing of securities on an exchange is an activity of critical importance to financial markets and the investing public. See e.g., Securities Exchange Act Release No. 57785 (May 6, 2008), 73 FR 27597 (May 13, 2008) (stating also that the distribution standards, which include exchange holder requirements, "...should help to ensure that the [SPACs] securities have sufficient public float, investor base, and liquidity to promote fair and orderly markets"); Securities Exchange Act Release No. 58228 (July 25, 2008), 73 FR 44794 (July 31, 2008).

⁴⁸ Id. The Commission has further stated that once a security has been approved for initial listing, maintenance criteria allow an exchange to monitor the status and trading characteristics of that issue to ensure that it continues to meet the exchange's standards for market depth and liquidity so that fair and orderly markets can be maintained. See e.g., Securities Exchange Act Release No. 57785 (May 6, 2008), 73 FR 27597 (May 13, 2008) also stating that the continued listing standards for SPACs, which include the holder requirements, protect investors and promote fair and orderly markets.

Nasdaq asserts that SPACs often have difficulty demonstrating compliance with the minimum number of holders requirements because many accounts are held in street name, so that this information must be obtained from broker-dealers and other third parties. Nasdaq states that this effort is particularly burdensome for SPACs because most of the expenses incurred in determining the number of holders must be borne by the SPAC's sponsors. The Commission notes that the vast majority of shares of most listed companies are held in street name, and it is not clear from Nasdaq's proposal how the burdens on SPACs in determining the number of holders are different than for listed companies generally, other than the fact that the SPAC's sponsor bears most of the costs. In addition, as noted by a commenter, it is not clear from Nasdaq's proposal the extent to which SPACs actually have had difficulties complying with the existing minimum number of holders requirements.⁴⁹

Nasdaq also takes the position that the benefits of the minimum number of holders requirements are less with SPACs because their value is based primarily on the value of the funds held in trust. Nasdaq notes that SPACs historically have traded close to the value of the funds held in trust, and concludes that a lack of shareholders has not resulted in distorted prices and the associated concerns. The Commission, however, does not believe it is clear from Nasdaq's proposal how these historic trading patterns bear on the role of the minimum number of holders requirements in maintaining fair and orderly markets, particularly since Nasdaq's observations were made while the current minimum number of holder requirements were in place.

Finally, Nasdaq proposes to allow a listed SPAC an additional 30 days following a business combination to demonstrate compliance with all initial listing standards, including the

⁴⁹ See supra note 43.

holder requirement. Nasdaq acknowledges that, following a business combination, the SPAC should meet all applicable listing requirements for operating companies, including the requirement to maintain a minimum of 300 holders on an initial and continued basis. Nasdaq takes the position that it is proposing the 30-day transition period because the current rule “does not provide a timetable” for the SPAC to demonstrate compliance. The Commission notes that initial listing standards, absent an explicit exception, apply upon initial listing. Further, the Commission notes that, because the same number of holders today (i.e., 300) applies to SPACs listed on Nasdaq before and after a business combination,⁵⁰ the issue of a post-combination transition period has not been raised. Nasdaq proposes to eliminate the continued listing requirement for SPACs, so that a listed SPAC with very few holders may need to have at least 300 holders a short time after a business combination. The Commission does not believe it is clear from Nasdaq’s proposal that such a structure is workable, or how a listed SPAC would ensure it is in a position to sufficiently increase its number of holders.

V. Commission’s Solicitation of Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Section 6(b)(5), or any other provision of the Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral

⁵⁰ The Commission recognizes that the initial holder requirement is 300 round lot holders while the continued listing requirement is 300 public holders. Therefore, when a SPAC transitions to listing as an operating company after a business combination, it should have at least 300 public holders, many of which may also be round lot holders.

presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.⁵¹

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by [insert date 21 days from publication in the Federal Register]. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by [insert date 35 days from publication in the Federal Register]. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal which are set forth in the Notice, in addition to any other comments they may wish to submit about the proposed rule change. In particular, the Commission seeks comment, including where relevant, any specific data, statistics, or studies, on the following:

1. Would the proposal ensure that a sufficient liquid market exists for the shares of SPACs on the Nasdaq Capital Market? Why or why not?
2. Without any continued listing holder requirement, would the shares of SPACs still trade close to their redemption value, as the Exchange has stated? If yes, would that trading pattern continue after an announcement of a business combination?
3. Without any continued listing holder requirement, could shares of SPACs be more prone to manipulation, either post-IPO or at the time of the business

⁵¹ Section 19(b)(2) of the Exchange Act, as amended by the Securities Act Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding – either oral or notice and opportunity for written comments – is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Act Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

combination announcement (but before consummation of the business combination)?

4. Has the Exchange demonstrated with specific data, analysis, and studies that the shares of SPACs trade consistently as stated in the proposal, and does the analysis support the proposed reductions in the holder initial and continued listing standards? If not, what data should be reviewed and analyzed? For example, in the Exchange's examination of SPACs that were below the continued public holder listing requirement, how few shareholders did these SPACs have?
5. The Exchange asserted that it is time consuming and burdensome for a SPAC to obtain a list of shareholders to demonstrate the number of holders, because many shares are held in street name with broker-dealers. The Commission notes that the process of obtaining number of shareholders is similar for all listed companies. Do commenters think SPACs are particularly burdened by this process and the costs? Is the fact the costs are usually borne by the sponsors relevant?

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-2017-087 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-2017-087. 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 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 such 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-2017-087 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.⁵²

Eduardo A. Aleman,

Assistant Secretary.

⁵² 17 CFR 200.30-3(a)(12).

