

## US Corporate Law News: SEC delays action on NASDAQ's plans on SPAC rules

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[INSURANCE COMPANIES](#)




On April 6, 2018, the SEC announced that it has decided to delay action on a Nasdaq proposal to ease listing rules for special purpose acquisition companies ("SPAC") as it needs more time to consider the proposal and public comments. SPACs are shell entities that raise money through initial public offerings in order to acquire companies, effectively taking them public. In hopes to lure listings from this growing subset of capital markets, Nasdaq proposes to modify SPAC listing requirements by (1) reducing round-lot holders from 300 to 150 for initial listing, (2) eliminating public holders from 300 to zero, (3) requiring a \$5 million net tangible asset threshold for initial and continued listing, and (4) imposing a deadline to demonstrate compliance with initial listing requirements on all Nasdaq Markets to within 30 days following each business combination. Specifically, round-lot requirements are in place to ensure that public companies have a wider investor base to limit price volatility. Given the extent of Nasdaq's proposed modifications, the SEC has decided to delay action on its proposal to allow the Commission time to sought additional analysis to evaluate the feasibility of the proposal. For more information, see <https://www.sec.gov/rules/sro/nasdaq/2018/34-83010.pdf>.

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