



February 20, 2026

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

RE: File No. SR-NASDAQ-2026-004; Notice of Filing of Proposed Rule Change to Adopt a New Continued Listing Requirement

Dear Ms. Countryman:

SIFMA¹ respectfully submits this letter to the U.S. Securities and Exchange Commission (the “Commission”) in response to the proposal (“Proposal”) by The Nasdaq Stock Market LLC (“Nasdaq”) to adopt a new continued listing requirement for the Nasdaq Global Market and Nasdaq Capital Market tiers.² If the Proposal is adopted, Nasdaq would suspend trading and immediately delist any company with a Market Value of Listed Securities (“MVLS”)³ below \$5 million for 30 consecutive days.

SIFMA commends Nasdaq for its ongoing review of its initial and continued listing standards, which has resulted in some incremental improvements to its listing rules.⁴ However, we reiterate that Nasdaq should continue to review its listing rules and make targeted changes to enable it to quickly identify, suspend, and delist issuers of low priced securities with little chance of regaining compliance with Nasdaq listing rules so that such companies do not remain listed for indefinite periods while failing to meet Nasdaq’s rule requirements.⁵

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry’s one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

² Release No. 34-104688 (Jan. 26, 2026), 91 FR 3935 (Jan. 29, 2026).

³ Market Value of Listed Securities is calculated by multiplying the company’s consolidated closing bid price by the number of securities listed on Nasdaq or another national securities exchange. See Nasdaq Rule 5005(a)(22) and (23).

⁴ See, e.g., File Nos. SR-Nasdaq-2024-029; SR-Nasdaq-2024-045; SR-Nasdaq-2024-084; SR-Nasdaq-2025-065; and SR-Nasdaq-2025-104.

⁵ See letters from SIFMA to SEC re: File Nos. SR-NASDAQ-2024-029 (July 30, 2024), available at <https://www.sec.gov/comments/sr-nasdaq-2024-029/srnasdaq2024029-498535-1461442.pdf>, SR-NASDAQ-2024-

As noted in the Proposal, as a national securities exchange and self-regulatory organization, Nasdaq has an obligation to design its rules “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 a free and open market and a national market system, and, in general, to protect investors and the public interest . . .”⁶ Therefore, Nasdaq and other national securities exchanges must continually evaluate the ongoing effectiveness of their initial and continued listing standards. Market participants need to continue to work together to protect investors from the potential fraud, market manipulation, and general harm that has been seen – and that continues to grow more prevalent – with select low priced stocks.

Over the past several years, trading activity in low priced stocks listed on national securities exchanges has included various nefarious trading schemes, including pump-and-dumps, ramp-and-dumps, and market manipulation.⁷ InvestorLink estimated that retail investors suffered around \$15 billion in ramp-and-dump losses in 2025. More recently, the schemes have involved fraudulent posts via social media or text messaging applications to directly target individual investors.⁸ The Commission has used its limited authority to suspend the trading activity in more than a dozen of these stocks.⁹ But the Commission and the exchanges, including Nasdaq, must continue to focus on this issue to protect investors and the integrity of the U.S. capital markets.

045 (Oct. 8, 2024), available at <https://www.sec.gov/comments/sr-nasdaq-2024-045/srnasdaq2024045-527615-1515662.pdf>, and SR-NASDAQ-2025-068 (Nov. 14, 2025), available at <https://www.sec.gov/comments/sr-nasdaq-2025-068/srnasdaq2025068-676107-2063794.pdf>; letter from SIFMA to SEC re: Request for the Commission and Listing Exchanges to Reform and Enhance Listing Standards (Sept. 18, 2025), available at <https://www.sec.gov/comments/sr-nasdaq-2025-068/srnasdaq2025068-661407-1974034.pdf>.

⁶ 15 U.S.C. § 78f(b)(5).

⁷ See, e.g., Jonathan Weil, *Nasdaq Has Become the Market of Choice for Dubious Penny-Stock IPOs*, WALL STREET JOURNAL, Oct. 6, 2025; Bill Alpert, *These Companies Gain Through Reverse Stock Splits. Shareholders Often Lose Out*, BARRON’S, Sept. 11, 2025; George Steer, *‘I almost fell off my chair’: Investors lose billions on meme stocks as ‘pump and dump’ scams multiply*, FINANCIAL TIMES, Aug. 18, 2025; George Steer, *SEC targets US firms tied to suspected Chinese ‘pump and dump’ scams*, FINANCIAL TIMES, Sept. 10, 2025; Dave Michaels, *Obscure Chinese Stock Scams Dupe American Investors by the Thousands*, WALL ST. JOURNAL, June 16, 2025; Alexander Osipovich, *Nasdaq Has Hundreds of Penny Stocks. Now It’s Trying to Purge Them*. WALL ST. JOURNAL, Aug. 8, 2024; Alexander Osipovich, *As Trading Frenzies Grip Penny Stocks, Criticism of Nasdaq Grows*, WALL ST. JOURNAL, Feb. 23, 2024; Alexander Osipovich, *Hundreds of Stocks Have Fallen Below \$1. They’re Still Listed on Nasdaq.*, WALL ST. JOURNAL, Dec. 3, 2023.

⁸ Weihua Li, et al., *Wall Street’s Stamp of Legitimacy Fuels Suspected Pump-and-Dump Schemes*, BLOOMBERG, Jan. 29, 2026, available at <https://www.bloomberg.com/graphics/2026-wall-street-apparent-pump-and-dump-investor-scam/>.

⁹ See <https://www.sec.gov/enforcement-litigation/trading-suspensions>. Chairman Paul S. Atkins, Testimony Before the U.S. House Financial Services Committee (Feb. 11, 2026) (“Since September, we have suspended trading in the stocks of fourteen Asia-based issuers on evidence of potential manipulation designed to artificially inflate the price and volume of the securities.”). In responses to questions from the Committee, Chairman Atkins acknowledged that the Commission’s authority under Section 12 is limited to suspending trading for up to 10 days and that it is only able to delist a company that is delinquent in its filings, not for manipulative or fraudulent activity in the company’s stock. As a result, Chairman Atkins noted that it is “incumbent on the exchanges, the SROs, to police their markets” and that the Commission “is working with them to try to ensure that that happens.”

SIFMA supports the Proposal because it will enable Nasdaq to more swiftly suspend trading and delist companies with market capitalizations at levels where ongoing public listing on a national securities exchange is no longer appropriate.¹⁰ The Proposal states that Nasdaq “believes that once the market identifies significant problems in a company by assigning a very low market value, that company is no longer appropriate for continued listing and trading on Nasdaq because challenges facing such companies, generally, are not temporary and may be so severe that the company is not likely to regain compliance within a compliance period and sustain compliance thereafter.”¹¹ We agree.

In this regard, Nasdaq should consider whether MVLS is the most appropriate measure of market capitalization to use in the new continued listing standard. MVLS includes all listed shares, even those shares that are not freely tradable by the public because they are restricted or held by company insiders. A company’s true measure of market capitalization is based on the value of the shares that are available to the public to trade, or the market value of public float. In its initial and continued listing rules, Nasdaq uses MVLS as well as more narrow market capitalization measures called Market Value of Publicly Held Shares (“MVPHS”) and Market Value of Unrestricted Publicly Held Shares (“MVUPHS”), both of which include only publicly held shares.¹² Nasdaq should consider whether to revise the Proposal to require the immediate trading suspension and delisting of any company that falls below an appropriate level of MVPHS or MVUPHS, as these market capitalization measures are more indicative of a company’s true market value based on public trading activity and public float.

Nasdaq’s continued listing rules must strike a balance between providing a reasonable grace period for a company facing financial headwinds to remain listed while it attempts to improve its business versus not allowing a company to stay listed indefinitely when it is unlikely to regain a level of market capitalization appropriate to maintain a public listing. A continued listing standard that enables Nasdaq to immediately suspend and delist a company that drops below a very low level of market capitalization for an extended period of 30 consecutive days is appropriately tailored to identify companies that are not sufficiently capitalized to warrant continued listing on a national securities exchange.

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¹⁰ A delisted company’s stock will continue to be accessible to the public via the over-the-counter markets.

¹¹ 91 FR at 3935.

¹² See Nasdaq Rule 5005(a)(23) (defining “market value”), (35) (defining “publicly held shares” as “shares not held directly or indirectly by an officer, director or any person who is the beneficial owner of more than 10 percent of the total shares outstanding”), and (46) (defining “unrestricted publicly held shares” as publicly held shares that are unrestricted securities”).

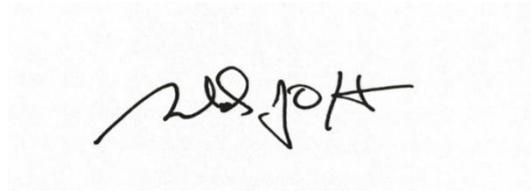
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SIFMA appreciates the opportunity to comment on the Proposal. We commend Nasdaq for reviewing and updating its listing standards to account for changes in the market and we urge it to continue this retrospective review to appropriately tailor its listing rules. If you have any questions or need any additional information, please contact Katie Kolchin at (212) 313-1239, Joseph Corcoran at (202) 962-7383, or Gerald O'Hara at (202) 962-7343.

Sincerely,



Katie Kolchin, CFA
Managing Director, Head of Equity
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Gerald O'Hara
Vice President & Assistant
General Counsel