and distributional and competitive effects.[10]

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others*

No written comments were either solicited or received.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act[11] and subparagraph (f)(6) of Rule 19b–4 thereunder.[12]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NASDAQ–2024–085 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–2024–085. This file number should be included on the subject line if email 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 (*https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly.

We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NASDAQ–2024–085 and should be submitted on or before January 21, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

**Vanessa A. Countryman,**

*Secretary.*

[FR Doc. 2024–30917 Filed 12–27–24; 8:45 am]

**BILLING CODE 8011–01–P**

[10] *See* Securities Exchange Act Release No. 97403 (April 28, 2023), 88 FR 28645 (May 4, 2023) (SR–FINRA–2023–008).

[11] 15 U.S.C. 78s(b)(3)(A)(iii).

[12] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[13] 17 CFR 200.30–3(a)(12).

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–101978; File No. SR–NASDAQ–2024–084]**

## Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Modify Certain Initial Listing Liquidity Requirements

December 19, 2024.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 12, 2024, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to modify certain initial listing liquidity requirements.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rules,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

Nasdaq is proposing to modify Listing Rules 5405 and 5505 to require that a company listing on the Nasdaq Global Market or Nasdaq Capital Market in connection with an initial public offering (''IPO'') satisfy the applicable minimum Market Value of Unrestricted Publicly Held Shares (''MVUPHS'') requirement solely from the proceeds of the offering. Nasdaq is also proposing to make similar changes affecting companies that uplist to Nasdaq from the U.S. over-the-counter market (''OTC market'') in conjunction with a public offering.

Nasdaq Listing Rules require a company to have a minimum Market Value of Unrestricted Publicly Held

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

Shares. For initial listing on the Nasdaq Global Market, a company must have a minimum MVUPHS of $8 million under the Income Standard, $18 million under the Equity Standard, and $20 million under either the Market Value or Total Assets/Total Revenue Standards.[3] For initial listing on the Nasdaq Capital Market, a company must have a minimum MVUPHS of $5 million under the Net Income Standard, and $15 million under either the Equity or Market Value of Listed Securities Standards.[4]

Unrestricted Publicly Held Shares are shares that are not held by an officer, director or 10% shareholder of the company and which are not subject to resale restrictions of any kind.[5] In the case of a company listing in conjunction with a public offering, previously issued shares registered for resale (''Resale Shares''), and not held by an officer, director or 10% shareholder of the company, are counted as Unrestricted Publicly Held Shares in addition to the shares being sold in the offering.

The MVUHPS standard is one of the core liquidity requirements within the Nasdaq listing rules. Like the other liquidity requirements, it is meant to ensure that there is sufficient liquidity to provide price discovery and support an efficient and orderly market for the company's securities. Nonetheless, Nasdaq has observed that the securities companies that meet the applicable MVUPHS requirement by including Resale Shares have experienced higher volatility on the date of listing than those of similarly situated companies that meet the requirement with only the proceeds from the offering. Nasdaq believes that the Resale Shares may not contribute to liquidity to the same degree as the shares sold in the public offering. As such, Nasdaq believes it is appropriate to modify the rules to exclude the Resale Shares from the calculation of MVUPHS for initial listing of companies listing in conjunction with a public offering.

Accordingly, Nasdaq proposes to modify Listing Rules 5405(b) and 5505(b) to provide that a company listing in connection with an initial public offering, including through the issuance of American Depository Receipts, must satisfy the applicable MVUPHS requirement for each initial listing standard for primary equity securities[6] with the proceeds of that offering.

Related to this change, Nasdaq believes it also is appropriate to apply a similar requirement to companies trading in the OTC market that qualify for listing based on an offering. Specifically, a company trading in the OTC market prior to listing must currently satisfy either a minimum daily trading volume on the OTC market of 2,000 shares over the past 30 trading days with trading occurring in at least 50% of those days (the ''ADV Requirement'') or, alternatively, list in connection with a firm commitment underwritten public offering of at least $4 million.[7] This alternative recognizes that where a company is listing in connection with a significant firm commitment underwritten public offering the liquidity characteristics of the prior trading will change and reflect the offering, just like in an IPO, and shares in the offering will be the primary source of liquidity upon listing.

Given Nasdaq's observations about the liquidity characteristics of IPOs with Resale Shares, Nasdaq believes it is appropriate to treat OTC companies relying on an offering in a similar manner, given that the liquidity in such listings is also expected to be supported by the offering. Accordingly, Nasdaq proposes to modify the alternative to the ADV requirement in Listing Rules 5405(a)(4) and 5505(a)(5). As revised, a company relying on the alternative will be required to satisfy the applicable MVUPHS requirements with only the proceeds from the offering. As a result, Nasdaq also proposes to modify Listing Rules 5405(a)(4) and 5505(a)(5) to increase the size of the required public offering for this alternative to the ADV Requirement from $4 million to $5 million for Capital Market applicants and $8 million for Global Market applicants to align with the minimum MVUHPS requirement for each market.[8] If the company qualifies under a different standard, instead of the income standard, the minimum raise instead would have to satisfy the MVUPHS requirement of the applicable standard.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Section 6(b)(5) of the Act,[10] in particular, in that it is designed 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. Specifically, Nasdaq believes that the proposal to modify Listing Rules 5405(b) and 5505(b) to require that a company listing on the Nasdaq Global Market or Capital Market in connection with an IPO satisfy the applicable minimum MVUPHS requirement solely from the proceeds of the offering is designed to protect investors and the public interest and to remove impediments to and perfect the mechanism of a free and open market and a national market system because Nasdaq believes that the change will likely result in less volatile trading of affected companies upon listing. As described above, the MVUHPS standard is one of the core liquidity requirements within the Nasdaq listing rules designed to ensure that there is sufficient liquidity to provide price discovery and support an efficient and orderly market for the company's securities. Based on Nasdaq's experience, companies that meet the applicable MVUPHS requirement by including Resale Shares are more likely to be subject to volatile trading on the date of listing than similarly situated companies that meet the requirement with only the proceeds from the offering. Nasdaq believes that this proposed change will help ensure that the initial pool of liquidity available for trading meets or exceeds the minimum applicable MVUHPS requirement.

Nasdaq also believes that the proposal to modify Listing Rules 5405(a)(4) and 5505(a)(5) to require that a company that is trading on the OTC market at the time of its application and that is listing in conjunction with a firm commitment public offering in lieu of meeting the ADV Requirement must satisfy the applicable MVUPHS requirements with only the proceeds from the offering is designed to protect investors and the public interest and to remove impediments to and perfect the mechanism of a free and open market and a national market system because, Nasdaq believes it is appropriate to align the minimum offering size for this alternative to the ADV Requirement with the minimum MVUHPS requirement for each market[11] by modifying Listing Rules 5405(a)(4) and 5505(a)(5) to set the minimum offering under this alternative to $5 million on

[3] *See* Listing Rules 5405(b)(1)(C), 5405(b)(2)(C), 5405(b)(3)(B), and 5405(b)(4)(B).

[4] *See* Listing Rules 5505(b)(1)(B), 5505(b)(2)(C), and 5505(b)(3)(C).

[5] *See* Listing Rule 5005(a)(46).

[6] *See* footnotes 3 and 4, above.

[7] *See* Listing Rules 5405(a) and 5505(a). This requirement is the same under the listing rules of both the Nasdaq Global Market and Nasdaq Capital Market.

[8] *See* footnotes 3 and 4, above.

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(5).

[11] *See* text accompanying footnotes 3 and 4, above.

the Capital Market and to $8 million on the Global Market because, in the case where a company does not meet the ADV Requirement, the offering serves as the primary source of price discovery in the same way the offering does in an IPO, as described above. Moreover, failure to align these requirements could allow a company to begin trading on the OTC market and then uplist to Nasdaq a short time later with an offering that does not satisfy the proposed new requirements for companies listed in connection with an IPO, as described above.

*B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. While Nasdaq does not believe there will be any impact on inter-market competition from the proposed change, any impact on competition that does arise will be necessary to better protect investors, in furtherance of a central purpose of the Act. Moreover, each national securities exchange can elect how to structure its listing requirements and respond in a competitive manner. In that regard, Nasdaq notes, for example, that in 2019 Nasdaq first enhanced its initial listing requirements to exclude holders of restricted stock from the calculation of the market value of publicly held shares and to impose a requirement that a minimum number of shareholders hold at least $2,500 worth of unrestricted stock, however New York Stock Exchange and NYSE American have not adopted comparable requirements and compete for listings on such basis.[12]

Nasdaq also believes that any impact on intra-market competition from the proposed change affecting companies listing on the Nasdaq Global and Capital Markets in connection with an IPO or uplisting form the OTC market, as described above, will be necessary to better protect investors, in furtherance of a central purpose of the Act. In that regard, companies listing on Nasdaq through other means, such as those listing on the Nasdaq Global Select Market or listing through a Direct Listing, are already subject to higher initial listing standards than companies impacted by this proposed change and Nasdaq has not observed similar concerns with the trading of these companies' securities.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were either solicited or received.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's internet comment form (*https://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include file number SR–NASDAQ–2024–084 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–2024–084. This file number should be included on the subject line if email 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 (*https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NASDAQ–2024–084 and should be submitted on or before January 21, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

**Vanessa A. Countryman,**

*Secretary.*

[FR Doc. 2024–30898 Filed 12–27–24; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Interest Rates

The Small Business Administration publishes an interest rate called the Optional Peg Rate (13 CFR 120.214) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 4.38 percent for the January–March quarter of FY 2025.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any Third Party Lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.

**David Parrish,**

*Chief, Secondary Market Division.*

[FR Doc. 2024–31199 Filed 12–27–24; 8:45 am]

BILLING CODE 8026–09–P

[12] Securities Exchange Act Release No. 86314 (July 5, 2019), 84 FR 33102 (July 11, 2019) (approving SR–NASDAQ–2019–009).

[13] 17 CFR 200.30–3(a)(12).