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February 1, 2021

Ms. Vanessa A. Countryman
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: SR-NASDAQ-2020-027 (the “Proposal”)¹

Dear Ms. Countryman:

On May 29, 2020, Nasdaq submitted the Proposal, to apply additional initial listing requirements to companies from Restrictive Market countries² to help ensure that they have sufficient investor base and public float to support fair and orderly trading. On September 9, 2020, the Commission issued an Order Instituting Proceedings to Determine Whether to Approve or Disapprove the Proposal.³

Numerous government officials have raised concerns about companies from Restrictive Markets, including former SEC Chairman Jay Clayton,⁴ Members of Congress,⁵ the President’s Working

¹ Securities Exchange Act Release No. 89027 (June 8, 2020), 85 FR 35962 (June 12, 2020).

² The Proposal would define a Restrictive Market as a jurisdiction that has secrecy laws, blocking statutes, national security laws or other laws or regulations restricting access to information by regulators of U.S.-listed companies in such jurisdiction.

³ Securities Exchange Act Release No. 89739 (September 2, 2020), 85 FR 55708 (September 9, 2020) (the “OIP”).

⁴ See, e.g., Chairman Jay Clayton’s Statement at the SEC’s Emerging Markets Roundtable (July 9, 2020), available at <https://www.sec.gov/news/public-statement/clayton-emerging-markets-roundtable-2020-07-09>.

⁵ See, e.g., Kennedy, Van Hollen introduce Holding Foreign Companies Accountable Act as NDAA amendment (June 25, 2020), available at <https://www.kennedy.senate.gov/public/press-releases?ID=FA4903D2-CA2A-4DAA-83A0-BFDB7CED19D0>; see also Congress Passes Legislation to De-List Chinese Companies Unless U.S. Has Access to Audit Workpapers (December 2, 2020), available

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Group⁶ on Financial Markets and the State Department.⁷ Notwithstanding this public record, in the OIP the Commission Staff questions whether the Proposal is consistent with Section 6(b)(5) of the Exchange Act and its requirement, among other things, that the rules of a national securities exchange not be designed to permit unfair discrimination.

Nasdaq is withdrawing the Proposal but continues to believe that applying heightened listing requirements related to public float to companies from Restrictive Markets will enhance investor protection. As such, Nasdaq is concurrently submitting a revised proposal designed to address the issues raised in the OIP.⁸ Nasdaq looks forward to working with the Commission Staff to obtain prompt approval of this proposal.

Please feel free to contact me at [REDACTED] with any questions on this withdrawal.

Sincerely,



Arnold Golub

cc: David Shillman, Division of Trading and Markets
Ted Venuti, Division of Trading and Markets

at <https://sherman.house.gov/media-center/press-releases/congress-passes-legislation-to-de-list-chinese-companies-unless-us-has>.

⁶ See, e.g., President's Working Group on Financial Markets: Report on Protecting United States Investors from Significant Risks from Chinese Companies (July 24, 2020), available at <https://home.treasury.gov/system/files/136/PWG-Report-on-Protecting-United-States-Investors-from-Significant-Risks-from-Chinese-Companies.pdf>.

⁷ See, e.g., Press Statement of Michael R. Pompeo, Secretary of State, New Nasdaq Restrictions Affecting Listing of Chinese Companies (June 4, 2020), available at <https://www.state.gov/new-nasdaq-restrictions-affecting-listing-of-chinese-companies/>.

⁸ SR-Nasdaq-2021-007 (February 1, 2020).