

## **NASDAQ Becomes a National Securities Exchange: What This Means for Listed Companies**

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**May 2006**

Earlier this year, the SEC approved an application by NASDAQ to register as a “national securities exchange” (like the New York Stock Exchange and the American Stock Exchange). NASDAQ has announced that it expects to begin operating as an exchange by the end of June (though a delay is possible). <http://www.nasdaq.com/about/FAQsExchange.stm>

For companies whose securities currently trade on NASDAQ, what are the practical implications of this change?

- NASDAQ will file a single application on behalf of all of its listed companies to register their NASDAQ securities under Section 12(b) of the Securities Exchange Act of 1934. The new registration is required because these securities are currently registered under Section 12(g) of the Exchange Act.
- Once NASDAQ begins operating as a national securities exchange, companies whose securities are listed on NASDAQ will be required to check a different box on the cover page of their Form 10-K. Instead of indicating that the securities are registered under Section 12(g), the company should include them under the heading “Securities registered pursuant to Section 12(b) of the Act.”
- According to NASDAQ, the impact on listed companies should be minimal, and listing fees will not be affected by the new exchange status. Since both Section 12(g) and 12(b) securities are “registered” securities for Exchange Act purposes, a company’s reporting obligations under the Exchange Act should not be affected.

We are available to provide further information and answer any questions you may have.

Regards,

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May 4, 2006

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