

## NYSE to Revise Proposal on Direct Listings

December 6, 2019

### SEC Rejected Initial Submission

The SEC today rejected the proposed NYSE rule change to permit companies to raise capital in a direct listing. The NYSE has confirmed that it plans to revise and resubmit the proposal to the SEC. The proposal would allow an issuer to sell newly issued stock in a direct listing, and would also delay the requirement that an issuer have 400 round lot holders at the time of listing until 90 trading days after the direct listing (subject to meeting certain conditions). For more information on the proposal, see our prior [memo](#). We will provide further updates as they become available.

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If you have any questions regarding the matters covered in this publication, please contact any of the lawyers listed below or your regular Davis Polk contact.

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