

NYSE Continued Listing Requirements Table

A Lexis Practice Advisor® Checklist by Michael Blankenship, Locke Lord LLP



Michael Blankenship
Locke Lord LLP

This checklist covers the New York Stock Exchange (NYSE) requirements for companies to remain listed on the NYSE. These are in addition to meeting distribution, financial, and corporate governance requirements to initially list on the NYSE. The rules regarding continued listing appear in Section 802.01 of the NYSE Listed Company Manual.

The NYSE will “normally give consideration to the prompt initiation of suspension and delisting procedures” for

companies that fall below certain minimum requirements (triggering deficiencies). Generally, continued listing does not require continuing compliance with the more stringent initial listing requirements, but it does require certain minimum indications of the viability of a company’s trading units.

For more information on the NYSE’s initial quantitative and qualitative listing requirements, see [NYSE Initial Listing Requirements Table](#) and [NYSE and Nasdaq Listing Requirements Compliance](#). The NYSE also has corporate governance requirements that must be maintained for continued listing, which are not covered in this checklist. For information on NYSE corporate governance requirements, see [NYSE Corporate Governance Listing Requirements Table](#) and [Corporate Governance Standards Chart \(New York Stock Exchange vs. Nasdaq\)](#).

Continued Listing of Equity Securities – U.S. and Non-U.S. Companies

Triggering deficiencies may arise out of distribution, financial condition, closing price or other changes in trading. The occurrence of a triggering deficiency in any one of the following categories may prompt NYSE to examine a company or security’s suitability for continued listing and/or send a notice to the company that it is not in compliance with the NYSE Continued Listing Standards.

Continued Listing Criteria Category	Deficiency
Distribution of Capital or Common Stock (Including Equity Investment Tracking Stock) (Rule 802.01A)	Number of total stockholders is less than 400 (including holders of record and beneficial holders who are NYSE members). OR Number of total stockholders is less than 1,200 (including holders of record and beneficial holders who are NYSE members) AND The average monthly trading volume is less than 100,000 shares for the most recent 12 months.

Continued Listing Criteria Category	Deficiency
<p data-bbox="228 149 565 243"><i>Distribution of Capital or Common Stock (Including Equity Investment Tracking Stock)</i></p> <p data-bbox="228 275 380 302">(Rule 802.01A)</p>	<p data-bbox="634 149 672 176">OR</p> <p data-bbox="634 184 1484 310">Number of publicly held shares is less than 600,000 (or 6,000 times the number of shares in a round lot trading unit, whichever is less). Note: shares held by directors and officers (and their immediate families) and other 10% holders are excluded in calculating the number of publicly held shares.</p>
<p data-bbox="228 331 545 426"><i>Numerical Criteria for Capital or Common Stock (Including Equity Investment Tracking Stock)</i></p> <p data-bbox="228 457 380 485">(Rule 802.01B)</p>	<p data-bbox="634 331 1495 457">Average global market capitalization of publicly traded securities and securities convertible into publicly traded securities is less than \$50 million over a consecutive 30 trading-day period AND Stockholders' equity is less than \$50 million.</p> <p data-bbox="634 468 672 495">OR</p> <p data-bbox="634 504 1484 562">A company that acquired initial listing approval on the basis of financial statements covering a 9 to 12-month period (in meeting financial standards):</p> <ul data-bbox="634 573 1511 667" style="list-style-type: none"> <li data-bbox="634 573 1511 625">• Fails to ultimately qualify under that financial standard at the end of such fiscal year (a full 12-month period) AND <li data-bbox="634 636 1073 667">• Does not qualify under another standard <p data-bbox="634 678 672 705">OR</p> <p data-bbox="634 714 1495 877">Average global market capitalization of publicly traded securities and securities convertible into publicly traded securities is less than \$15 million over a consecutive 30 trading-day period. (In the event of this triggering deficit, NYSE will promptly begin suspension and delisting procedures without opportunity for cure by the company.)</p> <p data-bbox="634 888 1484 947">In the case of an Equity Investment Tracking Stock, the NYSE will review the listing status if:</p> <ul data-bbox="634 957 1511 1119" style="list-style-type: none"> <li data-bbox="634 957 1511 1016">• The underlying equity investment being tracked ceases or ceases to be listed on the NYSE. <li data-bbox="634 1026 1484 1085">• The issuer of the tracking stock owns less than 50% of the common equity of the issuer of the stock being tracked. <li data-bbox="634 1096 1495 1119">• The tracking stock ceases to track the equity that it did at the time of initial listing.
<p data-bbox="228 1134 586 1192"><i>Price Criteria for Capital or Common Stock</i></p> <p data-bbox="228 1224 380 1251">(Rule 802.01C)</p>	<p data-bbox="634 1134 1484 1192">Average closing price of a security is less than \$1.00 over a consecutive 30 trading-day period</p> <p data-bbox="634 1203 688 1230">AND</p> <p data-bbox="634 1239 1354 1266">After notice of the above, the company fails to do any of the following:</p> <ul data-bbox="634 1274 1511 1476" style="list-style-type: none"> <li data-bbox="634 1274 1511 1371">• Attain, as of the last trading day of any calendar month during the next six months (cure period), a closing share price of \$1.00 and an average share price over the prior consecutive 30 trading-day period of \$1.00 <li data-bbox="634 1381 1409 1409">• Notify NYSE of intent to cure within 10 business days of receipt of notice <li data-bbox="634 1419 1474 1476">• Disclose the receipt of notice via press release within four days of receipt of the notice (or 30 days if a non-U.S. company) <p data-bbox="634 1486 1511 1717">Except that, if a company takes an action to cure the deficiency that requires a stockholder vote, it must notify NYSE of that fact and obtain such approval by no later than the next regularly scheduled annual shareholders' meeting, with action implemented promptly thereafter. NYSE will consider the deficiency cured if these requirements are met and the price after implementation promptly exceeds \$1.00 per share and remains above \$1.00 per share for the following 30 consecutive trading-days.</p> <p data-bbox="634 1728 1484 1917">Except that, if the deficient security is not the company's primary trading stock or was initially listed under the affiliated company standard where the parent/affiliate remains in control of the subject company, NYSE may elect not to apply this price criteria after evaluating the financial status of the parent/affiliate and/or subject company. See NYSE Initial Listing Requirements Table for more information on affiliated company requirements.</p>

Continued Listing Criteria Category	Deficiency
Other Criteria (Rule 802.01D)	<ul style="list-style-type: none"> • Reduction in operating assets and/or scope of operations. There is a substantial reduction in operating assets for any reason whatsoever, whether or not under the control of the company. • Bankruptcy and/or liquidation. This includes any filing for bankruptcy, announcement of intent to file for bankruptcy, or authorization of liquidation (each an indication of bankruptcy), combined with the company's commitment to proceed. An indication of bankruptcy combined with any other triggering deficiency may result in immediate suspension and delisting, at the discretion of NYSE. • Authoritative advice received that security is without value. NYSE receives advice that may be deemed authoritative at NYSE's discretion that the security is without value, but NYSE will not pass its own judgment on value of securities. • Registration no longer effective. Registration or exemption therefrom under the Securities Exchange Act of 1934, as amended, becomes no longer effective for any reason. • Proxies are not solicited for all meetings of stockholders. All actively operating companies must agree to solicit, and actually solicit, proxies from all stockholders (or cure failure to solicit within one year). • Agreements are violated. This covers violation of any agreement with NYSE, including violations by the company or its transfer agent or registrar. • Payment, redemption, or retirement of entire class, issue, or series. This includes when the entirety of any listed class, issue, or series is retired through payment at maturity, redemption, reclassification, or otherwise. • Operations contrary to public interest. Public interest, and operations by the company or its management contrary thereto, are determined by NYSE. • Audit committee in conformity with NYSE requirements is not maintained. Audit committee requirements set forth in corporate governance guidelines must be maintained at all times. In addition, NYSE may identify at its discretion any other criteria that, on an individual basis and in light of all pertinent facts, it determines indicates that the continued listing of a company is no longer suitable.

Alternate Continued Listing Standards for Certain U.S. Companies

In addition to the general continued listing requirements set forth above for capital equity, NYSE has set forth alternate triggering deficiencies for certain specialized companies, such as real estate investment trusts (REITs) and limited partnerships, acquisition companies, and closed-end funds, which it sets forth in the numerical requirements of Rule 802.01B.

Type of Company	Triggering Deficiency
REITs and Limited Partnerships	<p>Average market capitalization over 30 consecutive trading days below \$15 million (NYSE will send notice when average market capitalization falls below \$35 million, as there will be no opportunity for cure after it falls below \$15 million)</p> <p>OR</p> <p>Failure to maintain REIT status (if applicable), unless the resulting entity qualifies for initial listing as a corporation</p>

Type of Company	Triggering Deficiency
Acquisition Companies	<p>1. Prior to the consummation of the company's business combination:</p> <ul style="list-style-type: none"> • Average aggregate global market capitalization is below \$50 million, over 30 consecutive trading days. (NYSE will send notice when average global market capitalization falls below \$75 million, as there will be no opportunity for cure after it falls below \$50 million.) <p>OR</p> <ul style="list-style-type: none"> • Average aggregate global capitalization attributable to publicly held shares is below \$40 million, over 30 consecutive trading days. (NYSE will send notice when average global market capitalization attributable to publicly held shares falls below \$60 million, as there will be no opportunity for cure after it falls below \$40 million.) <p>OR</p> <ul style="list-style-type: none"> • The company's securities initially listed do any of the following: <ul style="list-style-type: none"> a) Fall below 300 public stockholders (including holders of record and beneficial holders who are NYSE members and excluding directors, officers, the immediate families of directors or officers, or 10% stockholders) b) Fall below 1,200 stockholders (including holders of record and beneficial holders who are NYSE members) and the average monthly trading volume is less than 100,000 shares for the most recent 12 months c) The number of publicly held shares less than 600,000 (or 6,000 times the number of shares in a round lot trading unit, whichever is less) <p>OR</p> <ul style="list-style-type: none"> • The company fails to consummate the business combination in the specified time frame. <p>NOTE: For securities traded as a bundled unit</p> <ul style="list-style-type: none"> • The securities are subject to suspension and delisting if any of the component parts do not meet the applicable listing standards, although component parts that do may remain listed. • Units that are intact and freely separable into their component parts will be counted toward the numbers required for continued listing of any single component, as may applicable to the specific nature of the component. • NYSE may delist or suspend any individual component or unit if its distribution or financial aspects make continued listing inadvisable, considering their respective characteristics and the public interest. <p>2. At the time of the company's business combination (after shareholder approval): NYSE may delist or suspend a listing at its discretion if it determines that the listing will not be in the best interests of NYSE and the public after consummation of the business combination. (Upon such a determination, there is no opportunity for cure.)</p> <p>3. After consummation of the business combination: A company that originally listed as an acquisition company will be subject to the entirety of the NYSE's continued listing policies and rules under Series 801 and 802.01 and must meet all of the following continuing listing standards:</p> <ul style="list-style-type: none"> • A price per share of at least \$4 • Global market capitalization of at least \$150 million

Type of Company	Triggering Deficiency
Acquisition Companies	<ul style="list-style-type: none"> • Aggregate market value of publicly held shares of at least \$40 million • The minimum distribution criteria with respect to shareholders and publicly held shares set forth in Section 102.01A for companies listing in connection with an initial public offering <p>NYSE will also consider whether the business combination results in a so-called back door listing intended to circumvent the standards for an original listing. If so, NYSE will initiate suspension and delisting of the company.</p>
Closed-end Funds	<p>Total market value of publicly held shares and net assets over 60 consecutive trading days are each below \$5 million. (NYSE will send notice when market value of publicly held shares over a 60-day period falls below \$10 million, as there will be no opportunity for cure after it falls below \$5 million.)</p> <p>OR</p> <p>Failure to maintain closed-end status</p> <p>NYSE will also give consideration to delisting if any of the following occur:</p> <ul style="list-style-type: none"> • Number of publicly held shares is less than 200,000. • Number of public stockholders is less than 300. • Market value of publicly held shares is less than \$1 million over a 90-day period.

Alternate Continued Listing Requirements for Certain Securities

In addition to the general and specialized-company continued listing standards summarized above, NYSE applies different continued listing standards to certain types of securities that are not primary equity securities or are other special types of securities. Counsel for companies maintaining listing of such securities should consult the applicable continued listing rules in the NYSE Listed Company Manual regarding continued listing standards for such securities, which may include:

- Income Deposit Securities (Rule 802.01B);
- Bonds (Rule 802.01B);
- Preferred Stock, Guaranteed Railroad Stock and Similar Issues (Rule 802.01B);
- Warrants, including Foreign Currency Warrants, Currency Index Warrants and Stock Index Warrants (Rule 802.01D);
- Contingent Value Rights (Rule 802.01D);
- Equity Linked Debt Securities (Rule 802.01D);
- Equity Index-Linked, Commodity-Linked and Currency-Linked Securities (Rule 802.01D);
- Other securities under Rule 703.19 (Rule 802.01D)

Michael Blankenship, Partner, Locke Lord LLP

Mike Blankenship is a Partner in the Houston office of Locke Lord LLP and a member of the firm's Capital Markets group. He focuses his practice on corporate finance and securities law, including securities offerings, special purpose acquisition companies (SPACs) offerings and transactions, private equity, mergers and acquisitions, and general corporate representation. He regularly counsels public companies on strategic transactions, capital markets offerings and general corporate and securities law matters. Mike represents both issuers and underwriters in U.S. and international capital markets transactions, including initial public offerings, and advises on corporate governance and securities market regulation. He is widely recognized as a go-to expert for a variety of securities law matters, including the Sarbanes-Oxley Act, Dodd-Frank Act and related rulemakings.

This document from Lexis Practice Advisor[®], a comprehensive practical guidance resource providing insight from leading practitioners, is reproduced with the permission of LexisNexis[®]. Lexis Practice Advisor includes coverage of the topics critical to practicing attorneys. For more information or to sign up for a free trial, visit [lexisnexis.com/practice-advisor](https://www.lexisnexis.com/practice-advisor). Reproduction of this material, in any form, is specifically prohibited without written consent from LexisNexis.