

NYSE Direct Listing Proposal

November 26, 2019 | Client Update

The NYSE has filed a proposed rule change with the Securities and Exchange Commission that would permit companies to raise capital in a direct listing. Under the proposed rule change, an issuer would be able to sell newly issued primary shares on its own behalf directly into the opening trade. This change could make the direct listing route more attractive to issuers that need to raise capital, although it is an open question whether issuers will be able to achieve the desired pricing and distribution of shares in a way comparable to that done in a traditional underwritten IPO.

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

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