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NYSE Introduces New Rules for Direct Listings

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On February 2, the SEC approved the New York Stock Exchange's proposal to facilitate "direct listings" by companies that do not intend to sell shares in an initial public offering. Previously, without an IPO, spin-off or transfer from another exchange, a company could only list equity on the NYSE at the exchange's discretion and if the market value of its publicly held shares was at least $100 million, based on an independent third-party valuation and recent trading of a sufficient volume in the unlisted market. Under its revised listing standards, the NYSE will allow a company to seek a direct listing in the absence of an IPO, and without any unlisted trading, if it can demonstrate that its publicly held shares have a market value of at least $250 million, based on an independent third-party valuation.

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.

John Banes
+1 212 450 4116
john.banes@davispolk.com

Bruce K. Dallas
+1 650 752 2000
bruce.dallas@davispolk.com

Derek Dostal
+1 212 450 4322
derek.dostal@davispolk.com

Joseph A. Hall
+1 212 450 4565
joseph.hall@davispolk.com

Michael Kaplan
+1 212 450 4111
michael.kaplan@davispolk.com

James C. Lin
+852 2533 3368
james.lin@davispolk.com

Richard D. Truesdell, Jr.
+1 212 450 4674
richard.truesdell@davispolk.com

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