

SEC Approves NASDAQ Proposal to Change Disclosure Notification Rules



Please Route To: NASDAQ-Listed Companies

What You Need to Know:

- The SEC has approved a NASDAQ rule change requiring NASDAQ-listed companies to submit material news to NASDAQ MarketWatch using the [Electronic Disclosure](#) submission system.
- The rule change will not be effective until September 4, 2007.
- After September 4, 2007, NASDAQ MarketWatch will no longer accept material news disclosures by fax or phone, except in emergency situations.

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NASDAQ Stock Market Rules require that, except in unusual circumstances, listed companies must make prompt disclosure to the public of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. These rules also require companies to provide notice of certain material disclosures to NASDAQ's MarketWatch Department prior to the disclosure of the news to the public.

The SEC has approved a NASDAQ rule change requiring NASDAQ-listed companies to submit material news to NASDAQ MarketWatch using the [Electronic Disclosure](#) submission system. As a result, **effective September 4, 2007, NASDAQ MarketWatch will no longer accept material news disclosures by fax or phone, except in emergency situations.** Listed companies are still obligated to provide MarketWatch with prior notification of material disclosures even if it is outside of normal business hours.

[NASDAQ's Electronic Disclosure](#) submission system was implemented in 2004 to offer issuers a secure, encrypted connection to submit their material news notifications to NASDAQ MarketWatch. Access to the [Electronic Disclosure](#) submission system was recently enhanced and it is now directly available at www.nasdaq.net. The link to the Electronic Disclosure submission system can be found in the middle of the home page on the right.

To allow NASDAQ-listed companies sufficient time to transition their processes to meet this new requirement, the new rule will not be effective until September 4, 2007. During this transition period, NASDAQ will be in contact with listed companies to remind them about this change. After this date, if a listed company repeatedly fails to use the [Electronic Disclosure](#) submission system to notify NASDAQ prior to the distribution of material news when NASDAQ finds no emergency situation existed, the company would be in violation of NASDAQ's listing requirements.

If your company has not yet taken advantage of the convenience of the Electronic Disclosure system, we encourage you to begin familiarizing yourself with it now.

As always, NASDAQ companies may speak with a MarketWatch analyst from 6:30 a.m. to 8:00 p.m. Eastern Time, Monday through Friday by calling **800.537.3929** or **301.978-8500**.

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