



NASDAQ UPDATES ITS NORDIC MAIN MARKET RULEBOOK FOR ISSUERS OF SHARES TO INCLUDE PROVISIONS ON SPECIAL PURPOSE ACQUISITION COMPANIES (“SPAC”)

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Introduction

In our [newsletter of 15 January 2021](#), we described the contemplated introduction of the listed company type SPAC on Nasdaq Copenhagen.

Nasdaq has now updated its Nordic Main Market Rulebook for Issuers of Shares (“Main Market Rulebook”) to include specific admission requirements for SPACs.

For the purpose of the Main Market Rulebook, a SPAC is defined as an issuer whose purpose is to complete one or more acquisitions within a certain period of time. While the rules for now apply to Nasdaq Stockholm, the entry into force on Nasdaq Copenhagen is contingent on approval from the Danish Financial Supervisory Authority.

Specific Admission Requirements

The specific admission requirements can be summarized as follows:

1. The rules regarding historical financial information and business operations otherwise applicable to listings do not apply to a SPAC.
2. At least 90% of the gross proceeds from the IPO and any other sale by the issuer of equity securities must be deposited in a deposit account with an independent financial institution.
3. Within 36 months of the date of admission to trading, the issuer must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account.

Restrictions during the Acquisition Period

Until the business combination(s) above have been completed, a number of restrictions apply:

1. Each business combination must be approved by a majority of the directors who are independent of the issuer and the management of the issuer.
2. Each business combination must be approved at a general meeting of the issuer by a simple majority.
3. The issuer must notify Nasdaq of each acquisition before making the acquisition public.
4. Following each business combination, the issuer must continue to meet the admission requirements, and failure to do so may result in delisting.
5. The shareholders in the issuer (except for management, founders, and related parties) are entitled to have their shares redeemed by the issuer.

Disclosures and subsequent Listing Requirements

Once an agreement has been entered into regarding a business combination, the issuer must initiate a new listing process, and the business combination cannot be completed until

Nasdaq has confirmed that the issuer following the business combination complies with the admission requirements.

The extent of the process that must be initiated following a new business combination and the actions that must thus be taken in addition to the initial listing of the SPAC are not clearly specified. It is, however, likely that information on historical financial information and business operations must be disclosed, taking the acquired company into account.

If you have any questions or require further information regarding any of the above, please do not hesitate to contact us:



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