

OTCQB RULES RELEASE NO. 11 (PROPOSED AMENDMENT)

OTC Markets Group has published for comment proposed amendments to the OTCQB Standards (as amended, the “**OTCQB Rules**”). Notably, we have updated the requirements for International Companies whose primary market is outside the U.S. by eliminating the requirement to engage a third-party Sponsor as well as the requirement to file an OTCQB Certification. These changes reduce the cost and complexity of trading on OTCQB and reflect the evolution of the OTCQB Market and OTC Markets Group’s increased regulatory responsibility.

The OTCQB Rules have been streamlined and restructured and are scheduled to become effective for all OTCQB companies on November 30, 2024. Notable changes are listed below.

Proposed Amendments

1. International Reporting Companies applying for OTCQB will no longer be required to engage an approved Sponsor to provide a Letter of Introduction.
2. International Reporting Companies are no longer required to file an annual OTCQB Certification but will continue to confirm compliance with Exchange Act Rule 12g3-2(b).
3. The exemption provision applying to certain companies with a public float between 5% and 10% that do not also have a separate class of securities traded on a U.S. national securities exchange has been removed.
4. The notice period to voluntarily withdraw from OTCQB has been extended from 24 hours to three (3) business days.
5. A security that has no priced quotations for four (4) consecutive trading days will be removed from OTCQB effective immediately, in accordance with Exchange Act Rule 15c2-11.
6. Companies must comply with Exchange Act Rule 10b-17, which requires timely notice to FINRA of certain corporate actions.
7. The amended Rules establish a streamlined process to requalify companies that meet initial eligibility criteria within six months of being removed.

Comment Period of 30 days:

OTC Markets Group welcomes your feedback about the proposed changes. Note that because the rules documents were reorganized, we are not able to provide a redline version of the changes. Please send comments and questions to Mike Vasilios, SVP of Issuer Compliance at mike@otcmarkets.com by November 29, 2024.

Effective Date:

The OTCQB Rules are scheduled to become effective for all OTCQB companies on November 30, 2024.