

April 16, 2018

## **OTCQX RULES RELEASE NO. 14 (PROPOSED AMENDMENTS)**

OTC Markets Group has published proposed amendments to the OTCQX Rules for International Companies, OTCQX Rules for U.S. Companies, and OTCQX Rules for U.S. Banks. These rules are scheduled to become effective on May 17, 2018.

A majority of these proposed changes are minor and are being made to clarify our existing rules. One change affecting companies on OTCQX International is that the OTCQX Rules for International Companies now requires all International Companies that are not SEC Reporting to confirm their 12g3-2(b) compliance on an annual basis.

### ***Highlights of Proposed Changes***

You may select a specific rule set to view the proposed Rules in their entirety - [OTCQX Rules for International Companies](#), [OTCQX Rules for U.S. Companies](#), and [OTCQX Rules for U.S. Banks](#).

### **OTCQX Rules for International Companies:**

1. International companies that are not SEC Reporting or Regulation A Reporting are now required to confirm their compliance with Rule 12g3-2(b) by providing Confirmation of 12g3-2(b) Compliance through the Add Financial Report link in [www.otcig.com](http://www.otcig.com) using the Report Type titled "12g3-2(b) Confirmation" on an annual basis.
2. Companies that have their security listed on a Qualifying Foreign Stock Exchange, no longer need to have had it listed on such exchange for a minimum of 40 days to qualify under the initial standards for OTCQX.
3. Companies that are granted an exemption from having an initial bid price of \$0.25 per share for 30 days prior to applying to OTCQX, either because they recently cleared a Form 211 through FINRA or because they are delisting from a national securities exchange, now need to maintain the applicable initial bid price for their first 30 days on OTCQX.
4. In regard to U.S. Blue Sky laws, we have clarified OTCQX as being recognized for the purposes of many states' securities laws governing registration requirements for secondary market transactions.

### **OTCQX Rules for U.S. Companies:**

1. Trusts, funds and issuers of other similar securities may qualify for an exemption from additional corporate governance standards that U.S. companies are subject to on OTCQX.
2. Companies that are granted an exemption from having an initial bid price of \$0.25 or \$4.00 per share for 30 days prior to applying to OTCQX, either because they recently cleared a Form 211 through FINRA or because they are delisting from a national securities exchange, now need to maintain the applicable initial bid price for their first 30 days on OTCQX.

3. In regard to U.S. Blue Sky laws, we have clarified OTCQX as being recognized for the purposes of many states' securities laws governing registration requirements for secondary market transactions.

#### **OTCQX Rules for U.S. Banks:**

1. Banks that are granted an exemption from having an initial bid price of either \$1.00 or \$4.00 per share for 30 days prior to applying to OTCQX, either because they recently cleared a Form 211 through FINRA or because they are delisting from a national securities exchange, now need to maintain the applicable initial bid price for their first 30 days on OTCQX.
2. In regard to U.S. Blue Sky laws, we have clarified OTCQX as being recognized for the purposes of many states' securities laws governing registration requirements for secondary market transactions.

#### **Comment Period of 30 days:**

**OTC Markets Group welcomes your feedback about the proposed changes. Send comments and questions to Mike Vasilios, Vice President of Issuer Compliance at [mike@otcmarkets.com](mailto:mike@otcmarkets.com) by May 16, 2018.**

#### **Effective Date of Proposed Changes:**

**The proposed rules are scheduled to become effective for all OTCQX companies on May 17, 2018.**