Regulatory Notice

Date: 26 May 2023

Revision of Nasdaq First North Growth Market Rulebook – Introduction of an auction model to support less liquid shares on Nasdaq First North Growth Market and change to the Danish Supplement

Nasdaq Copenhagen A/S, Nasdaq Helsinki Ltd, Nasdaq Stockholm AB (hereafter jointly referred to as “Nasdaq Nordic” and separately referred to as the “Exchange”) has conducted a review of the Nasdaq First North Growth Market Rulebook (the “Rulebook”) to further enhance market integrity and investor protection on Nasdaq First North Growth Market. The review has resulted in a new rule for allocating certain less liquid shares on Nasdaq First North Growth Market Finland and Nasdaq First North Growth Market Sweden to an Auction Trading model. The Auction Trading model may be expanded to Nasdaq First North Growth Market Denmark at a later stage.

For more than 15 years, Nasdaq First North Growth Market has served as an important growth platform, enabling Nordic and international entrepreneurs to access growth capital to develop and expand their businesses. The liquidity on Nasdaq’s Nordic markets as a whole has improved over the years. However, in parallel shares of some issuers have had challenges with liquidity. When the spreads become too wide, relatively small orders can create dramatic price movements. The volatility in these shares can be particularly harmful to retail investors and dampen overall confidence in market integrity.

The new model is the result of months of discussions and market analysis together with industry participants and will change how illiquid shares are traded to enhance market integrity and investor protection. Issuers with more than seven percent average spread for two consecutive quarters will be presented with two options. The first option is to hire a liquidity provider and the second option is to offer trading through an auction model with five auctions per day: opening auction, 11.00 CET, 13.00 CET, 15.00 CET and closing auction. Initially, it will be implemented for Nasdaq First North Growth Market Sweden and Finland. Due to technical limitations the Auction Trading model will be postponed for Nasdaq First North Growth Market Denmark.

The following changes have been made to the common part of the Rulebook:

- Rule 2.3.5: “Liquidity of the Shares”: The legal authority for introducing the new Auction Trading segment has been added as a new rule in 2.3.5.c.i as well as new guidance text.
- A footnote has further been added to clarify that the new rule in 2.3.5.c.i regarding the Auction Trading market segment will not apply to Nasdaq First North Growth Market Denmark as well as Nasdaq First North Growth Market Iceland.
- Other non-material and linguistic changes.

In addition, the following change has been made to the Danish Supplement part of the Rulebook:

- Rule 3.2 in “Supplement D – Denmark”: A new requirement has been added as a supplement to rule 3.2.1 in the common part of the Rulebook. The new rule in the Danish Supplement requires issuers to include in
the Company Description or in the Prospectuses a description of the method used for valuation of the issuer.

Entry Into Force:
The Rulebook will enter into force as of 1 July 2023.

The upcoming Rulebook and the mark-up version are available for download on the following https://www.nasdaq.com/solutions/rules-regulations-first-north-mtf-rules

More detailed information on the new Auction Trading model, including the specific criteria for being allocated to the new auction segment, will be set out in the Nasdaq Nordic INET Market Model effective 3 July 2023.


Information on which issuers meet the criteria for being allocated based on the Q3-Q4 2023 assessment will be sent on 11 January 2024. To ensure that stakeholders which are impacted by the change have sufficient time to adapt, the new rules will be effective when data from Q3 and Q4 has been analyzed and trading in the new auction segment will start on 18 January 2024.