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Strength Beyond Figures™

TY TEOH International is regional chartered accountants, tax, transfer pricing, valuation and consulting firm.

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# Nasdaq Private Market vs Nasdaq Capital Market

**Understanding the key differences between these two platforms, Nasdaq Private Market and Capital Market are essential for companies evaluating their fundraising, liquidity, governance, and long-term growth strategies.**

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While both Nasdaq Private Market and Nasdaq Capital Market provide avenues for companies to access capital and liquidity opportunities, they serve fundamentally different purposes and stages of a company's growth journey.

Nasdaq Private Market is designed for private companies seeking to facilitate secondary transactions and shareholder liquidity without becoming publicly listed, whereas Nasdaq Capital Market is a public stock exchange tailored for smaller-cap companies that wish to access the public capital markets. Understanding the key differences between these two platforms are essential for companies evaluating their fundraising, liquidity, governance, and long-term growth strategies.

| Item | Nasdaq Private Market | Nasdaq Capital Market |
|---|---|---|
| Nature | Private market / secondary liquidity venue | Public stock exchange |
| Company Status | Private companies | Public listed companies |
| SEC Registration as Public Company | Not required (generally) | Mandatory |
| Public Trading | No | Yes |
| IPO Required | No | Yes (or direct listing/SPAC) |
| Investor Access | Mostly accredited / institutional investors | Open to public investors |
| Liquidity | Limited / event-driven | Continuous daily trading |
| Valuation Transparency | Limited | High transparency |

| Item | Nasdaq Private Market | Nasdaq Capital Market |
|---|---|---|
| Share Price Visibility | Negotiated privately | Real-time public pricing |
| Disclosure Level | Limited private disclosures | Full SEC disclosure |
| Financial Reporting | Usually private-company standard | SEC reporting (10-K, 10-Q, 8-K) |
| Corporate Governance Rules | Flexible | Strict Nasdaq governance rules |
| Market Makers | Not applicable | Minimum 3 market makers |
| Public Float Requirement | No formal public float | Yes |
| Public Shareholders Requirement | No public spread requirement | Yes |
| Minimum Bid Price | No exchange bid-price rule | Usually US$4 initial listing |
| Delisting Risk | Minimal exchange risk | Subject to Nasdaq compliance rules |
| Trading Mechanism | Tender offers, auctions, block trades | Exchange order book |
| Typical Users | Unicorns, startups, pre-IPO firms | Small-cap public companies |
| Examples | OpenAI secondary, SpaceX secondary type deals | Small-cap biotech, tech, growth companies |

## Key SEC / Regulatory Difference

| Item | Nasdaq Private Market | Nasdaq Capital Market |
|---|---|---|
| Securities Act Registration | Usually exempt | Required |
| Exchange Act Registration | Often exempt | Mandatory |
| Main SEC Filings | Form D (Private fundraising, venture rounds, private placement offerings), Form 144 (Affiliates/insiders resell restricted securities, usually applies to: founder sales, investor secondary sales), Scheduel TO "tender offer" docs (organized tender offer, company-sponsored liquidity event) | S-1/F-1, 10-K, 10-Q, 8-K |
| Trading Venue Regulation | ATS / broker-dealer rules | National securities exchange |
| Sarbanes-Oxley Compliance | Usually not required fully | Required |
| PCAOB Audit Requirement | Often not mandatory | Mandatory |

## Practical Business Difference

**Nasdaq Private Market**
Best for:
- Unicorns delaying IPO
- Employee liquidity programs
- Founder/investor secondary sales
- Controlled shareholder base
- Less disclosure burden

Typical companies:
- Late-stage startups
- Venture-backed tech firms
- Companies wanting liquidity without going public

**Nasdaq Capital Market**
Best for:
- Companies seeking public capital raising
- Companies needing liquidity + visibility
- M&A currency (public shares)
- Institutional investor access

Typical companies:
- Small-cap biotech
- Growth technology companies
- Foreign issuers entering U.S. capital markets

## Cost & Compliance Comparison

| Item | Nasdaq Private Market | Nasdaq Capital Market |
|---|---|---|
| Legal Cost | Moderate | High |
| Audit Requirement | Flexible | Extensive |
| Investor Relations | Limited | Continuous |
| Quarterly Reporting | Usually no | Yes |
| Annual Proxy Filing | No | Yes |
| SOX Internal Controls | Usually no | Yes |
| Listing Fees | Lower | Higher |
| Ongoing Compliance Cost | Lower | Significant |

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|---|---|---|---|---|---|
| **20th** Global Largest Accounting Firm IAB 2024 | **753** Global Revenue (USD' Million) Year 2023 | **320** Offices across 115 Countries & Regions Year 2024 | **14000** Professionals Year 2024 | **20th** Singapore Largest Accounting Firm | **9** Offices across Singapore, USA, Malaysia, Labuan |

- Registered Auditor of Public Company Accounting Oversight Board (PCAOB), USA
- Registered Auditor with Accounting and Corporate Regulatory Authority (ACRA), Singapore;
- Approved Auditor of Labuan Financial Services Authority (Labuan FSA), Malaysia
- Approved Training Employers
- Independent Member Firm of SFAI

### Team Leaders & Members Credentials

## WHAT WE OFFER 我们的专业服务

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