

Nasdaq, large banks unveil exchange for private stock sales

July 20 2021



Nasdaq announced it is spinning off its exchange for private stock sales into a new venture that will be financed by Citi and other large banks.

Nasdaq announced Tuesday that it is replacing its exchange for companies that are not publicly traded, with a joint venture that will

receive financing from Goldman Sachs and other financial heavyweights.

The spin-off of Nasdaq Private Market will allow private stock trades and comes as many companies have opted to stay in private hands longer before entering public markets.

The trend has meant that employees of leading tech firms—which dominate Nasdaq's public trading platform—who often are compensated partly in [company stock](#), have less opportunity to cash out.

The new [joint venture](#) will transform Nasdaq Private Market into a standalone company financed by SVB, Citi, Goldman Sachs and Morgan Stanley. Terms of the deal were not disclosed.

Started in 2014, Nasdaq Private Market enables privately-held equity to change hands and other transactions, such as block trades, and has facilitated around 475 transactions accounting for more than \$30 billion.

The platform's existing technology, client relationships and regulatory infrastructure "will provide a strong foundation for the joint venture to develop a full suite of liquidity solutions for [private companies](#)," Nasdaq said in a [press release](#).

The trading platform will help boost employee retention in the [tech industry](#), "where access to talent is one of the biggest challenges," said Greg Becker, chief executive of SVB Financial Group, parent company of Silicon Valley Bank

"Innovation companies are staying private longer and need the ability to offer their employees a safe and easy way to generate liquidity while they are building their businesses," Becker said.

© 2021 AFP

Citation: Nasdaq, large banks unveil exchange for private stock sales (2021, July 20) retrieved 10 April 2024 from <https://techxplore.com/news/2021-07-nasdaq-large-banks-unveil-exchange.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.