

MEMO# 32041

November 6, 2019

ICI Draft Comment Letter on SEC's Proposed Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments; Your Comments Requested by November 20th

[32041]

November 6, 2019 TO: Equity Markets Advisory Committee RE: ICI Draft Comment Letter on SEC's Proposed Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments; Your Comments Requested by November 20th

The Securities and Exchange Commission recently proposed amending Regulation NMS under the Securities Exchange Act to no longer allow a proposed fee amendment to an NMS plan-- including SIPs-- to become effective upon filing.[\[1\]](#)

The ICI draft comment letter strongly supports the proposal. It points out that registered investment companies have an interest in this proposal as they subscribe, and pay fees, to SIPs. SIPs are the exclusive SEC-approved providers of key market data, including information on national best bids and offers, last sales, and regulatory trading halts. Many market participants must use SIPs to trade, and SIPs charge fees that, overall, amount to hundreds of millions of dollars a year. The proposal, if adopted, would provide SIP subscribers with advance notice and a say in fee changes for the first time. The draft letter urges the Commission to adopt the proposal to improve the fairness of the fee setting process and the reasonableness of fees.

In addition, the letter recommends that the Commission amend Regulation NMS to require:

- complete transparency into any revenue generated by NMS plans, particularly those dealing with market data; and
- all NMS plans to include as voting members a range of market participants, including representatives of funds.

Comments are due to the SEC no later than December 10, 2019. If you have comments on the draft letter, please send them to Dorothy Donohue at ddonohue@ici.org by close of business on November 20th.

Dorothy M. Donohue
Deputy General Counsel - Securities Regulation

[Attachment](#)

endnotes

[1] See SEC Release No. 34-87193 (October 1, 2019), *available at* <https://www.sec.gov/rules/proposed/2019/34-87193.pdf>. NMS plans are also known as national market systems plan and SIPs as securities information processors.

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