

**MEMO# 31242**

June 8, 2018

## **ICI Member Call to Discuss SEC Roundtable on Thinly-Traded Securities Scheduled for June 18 at 1:00 pm (ET)**

[31242]

June 8, 2018 TO: Equity Markets Advisory Committee

ETF (Exchange-Traded Funds) Committee

ETF Advisory Committee

ICI Global Trading & Markets Committee RE: ICI Member Call to Discuss SEC Roundtable on Thinly-Traded Securities Scheduled for June 18 at 1:00 pm (ET)

The SEC recently hosted a roundtable to address the market structure for thinly-traded exchange-listed securities, including equities and exchange-traded products (ETPs).[\[\[1\]\]](#) The roundtable discussed the challenges faced by participants in the market for thinly-traded exchange-listed securities and potential improvements that might be considered to the market structure for these securities. The roundtable included: a presentation of an SEC staff analysis of liquidity and market quality for thinly-traded NMS stocks[\[\[2\]\]](#) and three panels of industry experts that examined the following issues: (1) challenges in market structure performance of thinly-traded exchange-listed equities; (2) potential improvements in market structure for thinly-traded exchange-listed equities; and (3) market structure performance and potential improvements for thinly-traded ETPs.

ICI will host a call to discuss this roundtable and proposals to improve market structure for thinly-traded securities on Monday, June 18 at 1:00 p.m. (Eastern). Please contact Monique Curtis at [monique.curtis@ici.org](mailto:monique.curtis@ici.org) or George Gilbert at [george.gilbert@ici.org](mailto:george.gilbert@ici.org) to receive dial-in information for the call.

We will discuss, among other things, Nasdaq's request for the SEC to suspend unlisted trading privileges for certain thinly-traded Nasdaq-listed securities so that liquidity in these names would aggregate on Nasdaq's market.[\[\[3\]\]](#) The application focuses on suspending unlisted trading privileges in the stocks of operating companies and does not address thinly-traded ETPs. Nasdaq believes the suspension of UTP for these securities will promote efficiency, competition, and capital formation.

George M. Gilbert  
Assistant General Counsel

## Attachment

### **endnotes**

[1] A transcript and webcast archive of the meeting are available online at <https://www.sec.gov/spotlight/equity-market-structure-roundtables>.

[2] See Office of Analytics and Research, Empirical Analysis of Liquidity Demographics and Market Quality for Thinly-Traded NMS Stocks (April 10, 2018), *available at* [https://www.sec.gov/files/thinly\\_traded\\_eqs\\_data\\_summary.pdf](https://www.sec.gov/files/thinly_traded_eqs_data_summary.pdf).

[3] See Letter from Edward S. Knight, Executive Vice President and General Counsel, Nasdaq, to Jay Clayton, Chairman, SEC, dated April 25, 2018, *available at* <https://www.sec.gov/comments/265-31/26531-3515735-162293.pdf>.

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.