

MEMO# 30325

October 19, 2016

ICI Submits Comment Letter to SEC on Improving NMS Plan Governance and Transparency

[30325]

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TO: EQUITY MARKETS ADVISORY COMMITTEE No. 45-16 RE: ICI SUBMITS COMMENT LETTER TO SEC ON IMPROVING NMS PLAN GOVERNANCE AND TRANSPARENCY

ICI has submitted a comment letter in response to the Securities and Exchange Commission's ("SEC" or "Commission") review of its rules under the Regulatory Flexibility Act.^[1] We have taken this review as an opportunity to continue to advocate for improving the governance and transparency of national market system ("NMS") plans.

Our letter makes three points. First, we urge the SEC to replace the faulty governance model of NMS plans with governance provisions that require NMS plan operating committees to include representatives of registered funds and other non-SRO market participants. Second, 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. Third, we suggest that the Commission extend the charter of the SEC Equity Market Structure Advisory Committee ("EMSAC") for another two-year term and consider making the EMSAC a permanent advisory committee to assist with Regulation NMS improvements.

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[Attachment](#)

endnotes

^[1] See ICI Memorandum No. 30307 (Oct. 13, 2016), *available at*

https://www.ici.org/my_ici/memorandum/memo30307.

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