

**MEMO# 31564**

January 16, 2019

## **ICI Submits Comment Letter on Limit Up-Limit Down Plan Amendment**

[31564]

January 16, 2019 TO: ICI Members

ICI Global Members

Equity Markets Advisory Committee

ETF (Exchange-Traded Funds) Committee

ETF Advisory Committee SUBJECTS: Trading and Markets RE: ICI Submits Comment Letter on Limit Up-Limit Down Plan Amendment

ICI, jointly with the Investors Exchange LLC and SIFMA, recently filed the attached comment letter with the Securities and Exchange Commission (SEC) in response to a proposal to amend the National Market System (NMS) Plan to Address Extraordinary Market Volatility (the "Limit Up-Limit Down Plan").[\[1\]](#) The Amendment would: (1) transition the Limit Up-Limit Down Plan from operating on a pilot to a permanent basis; (2) adopt a mechanism for periodic review and assessment of the Limit Up-Limit Down Plan; and (3) recalibrate the formula used to determine the thresholds for trading pauses around the market open and, for some NMS stocks, the market close.[\[2\]](#)

The letter supports the Proposed Amendment and commends the SEC for its efforts to improve the Limit Up-Limit Down Plan over the past several years. The letter also urges the SEC to take steps to improve NMS plan governance by adding representatives of non-SRO experts, including advisers to registered funds and broker-dealers, to the operating committee of the Limit Up-Limit Down Plan and other NMS Plans. The letter argues that diversifying NMS plan operating committees would make these committees better informed and less influenced by conflicts of interest.

George M. Gilbert  
Assistant General Counsel

[Attachment](#)

### **endnotes**

[\[1\]](#) See Joint Industry Plan, Notice of Filing of the Eighteenth Amendment to the National Market System Plan to Address Extraordinary Market Volatility, 83 Fed. Reg. 66464

(December 26, 2018), *available*

at <https://www.govinfo.gov/content/pkg/FR-2018-12-26/pdf/2018-27819.pdf> (the “Proposed Amendment”).

[2] See ICI [Memorandum No. 31550](#), dated January 9, 2019, for background on the Limit Up-Limit Down Plan and a more detailed summary of the Proposed Amendment.

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