

MEMO# 23859

October 8, 2009

ICI Comment Letter on Proposed Changes to NYSE Corporate Governance Requirements

[23859]

October 8, 2009

TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 44-09
ETF ADVISORY COMMITTEE No. 32-09
SEC RULES MEMBERS No. 105-09 RE: ICI COMMENT LETTER ON PROPOSED CHANGES TO
NYSE CORPORATE GOVERNANCE REQUIREMENTS

The Institute today filed with the Securities and Exchange Commission the attached comment letter on proposed changes to Section 303A of the New York Stock Exchange's Listed Company Manual. [\[1\]](#) The letter is summarized below.

The letter states that the Institute fully recognizes the importance of effective corporate governance and generally supports the proposal. The letter recommends, however, modifying the part of the proposal that would amend the certification provision applicable to listed company executive officers. In particular, the letter points out that the NYSE has not offered any rationale for replacing the current requirement that executive officers notify the NYSE after becoming aware of material non-compliance with Section 303A with a requirement to notify the NYSE of any noncompliance. The letter also points out that the policies underlying Section 303A generally and Section 303A's certification requirement, in particular, have been adequately served by requiring executive officers to notify the NYSE of any material non-compliance with Section 303A. Further, it would be burdensome on both listed companies and the NYSE if listed companies were required to provide the NYSE with meaningless notifications of minor or inadvertent breaches, potentially obfuscating examples of more serious non-compliance and unnecessarily diverting limited resources. The letter concludes by urging the NYSE to retain the materiality standard in the current

rule.

Dorothy M. Donohue
Senior Associate Counsel

[Attachment](#)

endnotes

[1] See [Memorandum](#) to Closed-End Investment Company Members No. 40-09; ETF Advisory Committee No. 29-09; and SEC Rules Committee No. 55-09 [23802], dated September 17, 2009 (summarizing the proposal).

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.