

MEMO# 32064

November 26, 2019

ICI Submits Comment Letter on SEC's Proposal for New Procedures for Exemptive Order Applications

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TO: ICI Members
Closed-End Investment Company Committee
ETF (Exchange-Traded Funds) Committee
SEC Rules Committee
Small Funds Committee SUBJECTS: Compliance
Disclosure
Exchange-Traded Funds (ETFs)
Operations RE: ICI Submits Comment Letter on SEC's Proposal for New Procedures for Exemptive Order Applications

As you know, on October 18, the SEC proposed new procedures for Division of Investment Management staff to use in their review of applications for exemptive relief.[\[1\]](#) The proposal would establish an expedited review for applications that seek relief that is substantially identical to relief that the Commission has recently granted. For all other applications, the Commission proposes staff should take action within 90 days of an initial application or amendment. The Commission also proposes to make public staff comments on applications and responses through EDGAR 120 days after “final disposition.”

Our comment letter strongly supports the Commission’s proposal to ease burdens on funds seeking exemptive relief by streamlining the process. We also provide recommendations to further enhance the proposal’s utility, including recommendations that the Commission:

- Expand eligibility for expedited review and narrow the timeframe for staff to review application amendments.
- Better define the timeframes for review of exemptive order applications that do not meet the expedited review requirements, particularly with respect to review of amended applications.
- Revise or eliminate its proposal to publish on EDGAR staff comments on and applicant responses to exemptive applications. We believe that this aspect of the proposal will impede industry innovation and unnecessarily increase burdens on staff and applicants.

ICI's comment letter is attached.

Bridget Farrell
Assistant General Counsel

[Attachment](#)

endnotes

[1] *Amendments to Procedures With Respect to Applications Under the Investment Company Act of 1940*, Investment Company Act Release No. 33658 (Oct. 18, 2019), available at <https://www.sec.gov/rules/proposed/2019/ic-33658.pdf>. See also ICI memorandum discussing proposal, available at https://www.ici.org/my_ici/memorandum/memo32019.

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