

**MEMO# 32091**

December 10, 2019

# **ICI Comment Letter Supporting SEC's Proposed Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments**

[32091]

December 10, 2019 TO: ICI Members SUBJECTS: Trading and Markets RE: ICI Comment Letter Supporting SEC's Proposed Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments

The Securities and Exchange Commission recently proposed amending Regulation NMS under the Securities Exchange Act to no longer allow a proposed fee amendment to any national market system plan-- including securities information processors-- to become effective upon filing.[\[1\]](#)

The ICI comment letter strongly supports the proposal. It points out that registered investment companies have an interest in this proposal as they subscribe, and pay fees, to SIPs. SIPs are the exclusive SEC-approved providers of key market data, including information on national best bids and offers, last sales, and regulatory trading halts. Many market participants must use SIPs to trade, and SIPs charge fees that, overall, amount to hundreds of millions of dollars a year. The proposal, if adopted, would provide SIP subscribers with advance notice and a say in fee changes for the first time. The letter urges the Commission to adopt the proposal to improve the fairness of the fee setting process and the reasonableness of fees.

In addition, 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; and
- all NMS plans to include as voting members a range of market participants, including representatives of funds.

The letter also expresses support for the Commission reconsidering the current procedures used to approve, or institute proceedings to disapprove, SRO rule filings that seek to increase fees.

Dorothy M. Donohue  
Deputy General Counsel - Securities Regulation

[Attachment](#)

**endnotes**

[1] See SEC Release No. 34-87193 (October 1, 2019), available at <https://www.sec.gov/rules/proposed/2019/34-87193.pdf>. This memorandum hereinafter refers to national market system plans as “NMS plans” and securities information processors as “SIPs.”

---

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.