

MEMO# 30828

August 10, 2017

New ICI Paper on Understanding ETF Listing Processes and Standards

[30828]

August 10, 2017 TO: ICI Members

ICI Global Members

ETF (Exchange-Traded Funds) Committee

ETF Advisory Committee

ICI Global Exchange Traded Funds Committee SUBJECTS: Exchange-Traded Funds (ETFs)

RE: New ICI Paper on Understanding ETF Listing Processes and Standards

As you know, exchange-traded funds have been a part of US markets for more than 20 years, and they remain some of the most highly regulated financial products, subject to multiple and sometimes overlapping statutory schemes.

One major area of regulation is how the Securities and Exchange Commission and national securities exchanges regulate the listings and trading requirements of ETFs under the Securities Exchange Act of 1934—a process that is often complicated and misunderstood. To help explain this, ICI has published a new paper, [Understanding the Regulation of Exchange-Traded Funds Under the Securities Exchange Act of 1934](#).

The paper offers background information on ETFs, including information on how an ETF and its shares are created, and about the roles of authorized participants and market makers. It also describes the history of ETF regulation under the Securities Exchange Act.

The paper then provides a history of the ETF listing process and standards, details the current listing standards and the Rule 19b-4 process, and explains the requirement to obtain exemptive or no-action relief under the Securities Exchange Act before listing.

ICI's [Exchange-Traded Fund Resource Center](#) offers this paper and more information on ETFs, including the basics on the creation, operation, and regulation of the funds. It also features [policy views from ICI](#), updates on recent ETF developments, [videos](#), [recent research and statistics](#), and links to [other ETF resources](#).

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