

MEMO# 13700

July 5, 2001

ICI COMMENT LETTER ON NASDR REQUEST FOR COMMENT ON MODERNIZING NASD RULES

[13700] July 5, 2001 TO: ADVERTISING COMPLIANCE ADVISORY COMMITTEE No. 9-01
EQUITY MARKETS ADVISORY COMMITTEE No. 22-01 SEC RULES COMMITTEE No. 52-01 RE:
ICI COMMENT LETTER ON NASDR REQUEST FOR COMMENT ON MODERNIZING NASD RULES
The Institute recently filed the attached comment letter with NASD Regulation, Inc. in
response to its request for comment concerning steps that can be taken to modernize
NASD rules.¹ The letter is substantially similar to the draft letter circulated previously.² The
Institute's letter updates and supplements comments filed in 1999 in response to a similar
NASDR request for comment, and makes general recommendations relating to
differentiation between institutional and retail customers, prospectus disclosure, and the
NASD rulemaking process. In addition, the letter discusses the status of previously
recommended changes in the areas of: advertising and sales literature; confirmations;
forwarding proxy materials; the corporate financing rule; selling concessions; and cash
compensation. Kathy D. Ireland Associate Counsel Attachment Attachment (in .pdf format)
1 See Memorandum to Advertising Compliance Advisory Committee No. 5-01, Equity
Markets Advisory Committee No. 16-01 and SEC Rules Committee No. 41-01, dated May 29,
2001. 2 See Memorandum to Advertising Compliance Advisory Committee No. 6-01, Equity
Markets Advisory Committee No. 20-01 and SEC Rules Committee No. 48-01, dated June 21,
2001.

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