

MEMO# 10273

September 8, 1998

NASD PROPOSES INCLUSION OF CLOSED-END FUNDS IN NASDAQ'S MUTUAL FUND QUOTATION SYSTEM

[10273] September 8, 1998 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 17-98 RE: NASD PROPOSES INCLUSION OF CLOSED-END FUNDS IN NASDAQ'S MUTUAL FUND QUOTATION SYSTEM

The NASD has proposed amendments to NASD Rule 6800 that would include certain closed-end funds in Nasdaq's Mutual Fund Quotation Service (MFQS). MFQS currently collects daily price and related data concerning open-end funds, and publicly disseminates the information to the news media and market data vendors on two lists. Funds on the News Media List are eligible for inclusion in the national newspaper fund tables and Nasdaq's Level 1 data feed service, while funds on the Supplemental List are disseminated only over the Level 1 data feed service. Under the proposal, a closed-end fund would be required to have \$100 million in assets for initial inclusion in the News Media List, and \$60 million in assets for maintenance on the list. The criteria for initial inclusion in the Supplemental List would be \$10 million in assets or two full years of operation, with no maintenance requirement. The SEC's release soliciting comments on the NASD proposal is attached. Comments are due to the SEC by September 25, 1998. If you have comments that you would like the Institute to consider including in its comment letter, please contact me by September 17 (telephone: 202/326-5824, fax: 202/326-5827, or e-mail: amy@ici.org). Amy B.R. Lancellotta Senior Counsel Attachment