

MEMO# 11953

June 15, 2000

NASDAQ PROPOSED CHANGES TO MINIMUM LISTING REQUIREMENTS IN MUTUAL FUND QUOTATION SERVICE

* SEC Release No. 34-42831 (May 25, 2000), 65 Fed. Reg. 35693 (June 5, 2000). [11953]
June 15, 2000 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 19-00 SEC RULES
COMMITTEE No. 86-00 RE: NASDAQ PROPOSED CHANGES TO MINIMUM LISTING
REQUIREMENTS IN MUTUAL FUND QUOTATION SERVICE

The Nasdaq
Stock Market, Inc. has filed with the Securities and Exchange Commission proposed
amendments to the minimum listing requirements for inclusion and maintenance of open-
end and closed-end funds in its Mutual Fund Quotation Service (MFQS). The amendments
would lower both the initial and maintenance requirements for the inclusion of closed-end
funds in the News Media List to \$60 million and \$30 million in net assets, respectively. In
addition, the proposal would amend the inclusion criteria for the Supplemental List with
respect to both open-end and closed-end funds to add an alternative under which a fund
would qualify if the investment management firm that manages the fund has at least one
other fund listed on the MFQS that has \$10 million in assets and the firm has at least \$15
million from open-end, closed-end and/or money market funds under management. A copy
of the release proposing the amendments is attached.* Also attached is a draft Institute
comment letter concerning the proposed amendments. The comment letter supports the
proposed changes, but recommends that the proposed third alternative criterion for the
Supplemental List use a more established concept, such as "fund complex" or "family of
investment companies" to identify related funds. Comments are due to the SEC on the
proposed amendments by Monday, June 26, 2000. Please provide any comments on the
draft letter to me by noon on Wednesday, June 21. I can be reached at 202/371-5432, by e-
mail at kireland@ici.org, or by fax at 202/326-5827. Kathy D. Ireland Associate Counsel
Attachments