

**MEMO# 12107**

June 26, 2000

# **INSTITUTE COMMENT LETTER ON PROPOSED CHANGES TO MUTUAL FUND QUOTATION SERVICE**

[12107] June 26, 2000 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 21-00 SEC RULES COMMITTEE No. 92-00 SMALL FUNDS COMMITTEE No. 3-00 RE: INSTITUTE COMMENT LETTER ON PROPOSED CHANGES TO MUTUAL FUND QUOTATION SERVICE The Institute has filed with the Securities and Exchange Commission the attached comment letter concerning a proposal by the Nasdaq Stock Market, Inc. to amend 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 from \$100 million and \$60 million in net assets, 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 in the MFQS that has at least \$10 million in net assets and the firm has at least \$15 million from open-end, closed-end and/or money market funds under management.\* The Institute's 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. Kathy D. Ireland Associate Counsel Attachment Attachment (in .pdf format) \* SEC Release No. 34-42831 (May 25, 2000), 65 Fed. Reg. 35693 (June 5, 2000).

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