

MEMO# 16594

October 1, 2003

INSTITUTE COMMENT LETTER ON NYSE PROPOSED RULE CHANGE REPEALING RULE 500

[16594] October 1, 2003 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 22-03 SEC RULES MEMBERS No. 127-03 RE: INSTITUTE COMMENT LETTER ON NYSE PROPOSED RULE CHANGE REPEALING RULE 500 The Institute has filed a comment letter with the Securities and Exchange Commission on the NYSE's proposed rule change repealing NYSE Rule 500 relating to the delisting of a security by an issuer. The most significant aspects of the comment letter are summarized below. The comment letter supports the proposed rule change. In particular, the letter states that easing the NYSE's delisting requirements should: create a more level playing field for markets trading securities currently listed on the Exchange; bring the NYSE's requirements in line with the requirements of other exchanges; and continue to provide adequate investor protection if an issuer chooses to delist its shares from the Exchange. The comment letter states, however, that while the Institute supports the easing of the delisting requirements, we hope that the NYSE and other exchanges will, at the same time, maintain strong listing standards and not engage in a "race to the bottom" in an attempt to maintain and/or increase listings on their respective markets. Ari Burstein Associate Counsel Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 16594, or call the ICI Library at (202) 326-8304 and request the attachment for memo 16594. Attachment (in .pdf format)

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