

MEMO# 19226

October 6, 2005

PROPOSED FEE CHANGES TO NASDAQ'S MUTUAL FUND QUOTATION SERVICE

©2005 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [19226] October 6, 2005 TO: ACCOUNTING/TREASURERS COMMITTEE No. 16-05 END OF DAY PRICING FORUM No. 5-05 OPERATIONS COMMITTEE No. 23-05 RE: PROPOSED FEE CHANGES TO NASDAQ'S MUTUAL FUND QUOTATION SERVICE As we previously informed you, The Nasdaq Stock Market, Inc. ("NASDAQ"), filed with the Securities and Exchange Commission ("SEC") proposed changes to NASD Rule 7090 to increase annual listing and administrative fees to subscribers of the Mutual Fund Quotation Service ("MFQS").¹ NASDAQ had proposed to increase fees "as soon as practicable" following SEC approval and in January 2006 for existing fund listings. The ICI filed a comment letter that supported NASDAQ's planned enhancements to the MFQS and the proposed fee increases but urged that the proposed fee increases only be assessed once the planned enhancements are implemented.² We are pleased to inform you that as a result of the Institute's comment letter, NASDAQ amended their filing on September 14, 2005. The SEC adopted the amended proposal in a form that takes into account the concerns expressed by the Institute. A copy of the Institute's comment letter and the SEC Release adopting NASDAQ's proposal, dated October 4, 2005, are attached.³ Please contact me at 202-326-5869 or at salmon@ici.org if you have any questions. Peter G. Salmon Director - Operations & Technology 1 See SEC Release No. 34-51836 (June 13, 2005). 2 See Memorandum to Accounting/Treasurers Committee No. 09-05, End-Of-Day Pricing Forum No. 3-05 and Small Funds Members 64-05, dated July 15, 2005. 3 See SEC Release No. 34-52517 (October 4, 2005).