

**MEMO# 17434**

April 28, 2004

# **SEC PROPOSAL TO REQUIRE ELECTRONIC FILING AND POSTING OF PROPOSED RULE CHANGES OF SELF-REGULATORY ORGANIZATIONS**

[17434] April 28, 2004 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 18-04 EQUITY MARKETS ADVISORY COMMITTEE No. 20-04 SEC RULES COMMITTEE No. 38-04 RE: SEC PROPOSAL TO REQUIRE ELECTRONIC FILING AND POSTING OF PROPOSED RULE CHANGES OF SELF-REGULATORY ORGANIZATIONS The Securities and Exchange Commission has proposed changes under the Securities Act of 1933 and the Securities Exchange Act of 1934 that would amend certain requirements relating to rule changes proposed by self-regulatory organizations ("SROs").<sup>1</sup> The proposal is summarized below. Comments on the proposal must be filed with the SEC by June 4, 2004. The Institute plans on preparing a comment letter on the proposal. If you have any comments on the proposal that you would like us to consider including in the Institute's letter, please provide them to me by phone (202.218-3563), fax (202.326-5827), or email (ddonohue@ici.org) The Proposal The proposal would amend Rule 19b-4 under the Securities Exchange Act to require each SRO to: (1) file proposed rule changes electronically with the SEC through a web-based system;<sup>2</sup> (2) post all proposed rule changes, and any amendments thereto, on its public website no later than the next business day after filing with the SEC; (3) post and maintain a current and complete version of its rules on its website; and (4) update its public website to reflect rule changes no later than the next business day following notification of the SEC's approval of the rule change. Request for Comment The Release requests specific comment on a number of issues including: (1) whether the SRO should be required to inform the public of the status of a proposed rule change if the SRO proposed rule change is incomplete because it does not comply with applicable requirements <sup>1</sup> See SEC Release No. 34-49505 (March 30, 2004) [69 Fed. Reg. 17864 (April 5, 2004)] ("Release"). <sup>2</sup> The proposed amendments would permit portions of a rule filing to be made in paper form under limited circumstances (e.g., information subject to a request for confidential information). <sup>2</sup> and is deemed not filed and returned to the SRO; and (2) if the SRO withdraws a proposed rule change, whether the SRO should be required to inform the public of the withdrawal and whether that information should be required to be maintained on the SRO's website. Dorothy M. Donohue Associate Counsel

should not be considered a substitute for, legal advice.