

MEMO# 11283

September 30, 1999

EXTENDED TRADING HOURS

[11283] September 30, 1999 TO: ACCOUNTING/TREASURERS COMMITTEE No. 32-99 NAV
END OF DAY PRICING FORUM RE: EXTENDED TRADING HOURS

As you may be aware, the Nasdaq Stock Market has stated publicly that it intends to extend its trade reporting service from the current 5:15 p.m. to 6:30 p.m., effective October 11, 1999. Also, Nasdaq has stated that it will recalculate a post 4:00 p.m. inside quotation (best bid/best ask) for those securities that exhibit quotation activity, effective November 1, 1999. Further, the New York Stock Exchange has indicated that it will keep its quote and trade reporting facility open until 6:35p.m., effective October 11, 1999. The Investment Company Institute has learned that the above changes Nasdaq is planning may limit the ability of mutual funds and service providers to obtain closing last sale and bid/ask information for certain securities in a timely manner. The Institute sent the attached letter dated September 24 to the Nasdaq Stock Market requesting that they ensure the continued availability of this information well before the 5:50 p.m. deadline for submission of mutual fund prices to Nasdaq's Mutual Fund Quotation Service. In a follow-up conference call, NASD and Nasdaq officials agreed to consider delaying the November 1 change to December 1. To date, based on conversations with the New York Stock Exchange and the Securities Industry Automation Corporation (SIAC), it does not appear that the NYSE's initiative would present the same or similar problems to mutual funds as Nasdaq's. However, the Institute recommends that you contact your market data provider(s) in order to assess the impact, if any, on your daily pricing process. We will keep you informed of further developments. Should you have any questions, please contact Peter Salmon at (202) 326-5869 or Greg Smith at (202) 326-5851. Peter Salmon Director of Operations and Technology Attachment