

MEMO# 33528

May 12, 2021

Withdrawal of NYSE's Proposed Amendment to Limit Listed Closed-End Fund Investments in Private Funds

[33528]

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TO: ICI Members SUBJECTS: Closed-End Funds RE: Withdrawal of NYSE's Proposed Amendment to Limit Listed Closed-End Fund Investments in Private Funds

The Securities and Exchange Commission earlier today published a notice of withdrawal of an New York Stock Exchange proposed rule change that would have established limits on listed closed-end fund investments in private funds.^[1] The rule change would have prevented the initial listing of a closed-end fund if, at the time of listing, the closed-end fund invests on an aggregate basis more than 15 percent of the fund's net assets in private funds or invests more than 5 percent of the fund's net assets in any single private fund. In addition, the rule change would have required a listed closed-end fund that invests in or intends to invest in private funds to adopt fundamental policies providing that the fund: (i) may not make additional investments in private funds if, immediately after the investment, private funds would represent more than 15 percent of such fund's net assets or the investment in an individual private fund would represent more than 5 percent of such fund's net assets; and (ii) will take other actions upon exceeding those limits.^[2] According to the notice of withdrawal, the NYSE withdrew the proposed rule change on May 6.

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endnotes

^[1] See Notice of Withdrawal of a Proposed Rule Change to Amend Section 102.04 of the NYSE Listed Company Manual to Establish Limits on Investments in Unregistered Investment Vehicles by Listed Closed-End Funds, Sec. Exch. Act Rel. No. 91871 (May 12, 2021), available at <https://www.sec.gov/rules/sro/nyse/2021/34-91871.pdf>.

^[2] See Notice of Filing of Proposed Rule Change Amending Section 102.04 of the NYSE

Listed Company Manual to Establish Limits on Investments in Unregistered Investment Vehicles by Listed Closed-End Funds, 86 Fed. Reg. 22080-82 (Apr. 26, 2021), *available at* www.govinfo.gov/content/pkg/FR-2021-04-26/pdf/2021-08566.pdf. For a summary of the NYSE's proposed rule change, see ICI Memorandum No. 33498, *available at* www.ici.org/memo33498.

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