

MEMO# 36002

January 29, 2025

ICI Suggests Amendment to Exchange Proposals Regarding CEF Annual Meeting Requirement

[36002]January 29, 2025TO:ICI Members

Closed-End Investment Company CommitteeSUBJECTS:Closed-End FundsRE:ICI Suggests Amendment to Exchange Proposals Regarding CEF Annual Meeting Requirement

On Tuesday, January 28, 2025, ICI filed a comment letter with the SEC suggesting an amendment to the New York Stock Exchange and the Cboe BZX Exchange, Inc. proposals (collectively, the "Exchange Proposals")^[1] regarding the annual meeting listing standard for closed-end funds (CEFs). The letter contains a proposed amendment to the Exchange Proposals that would continue to achieve the objectives of the Exchange Proposals while addressing concerns raised by certain commenters that removing the annual meeting requirement may take away an ability that some retail shareholders in CEFs value. ICI suggests an amendment to the Exchange Proposals whereby the annual meeting requirement would be removed from the Exchanges' listing standards as proposed, but for CEFs listed as of the effective date of the amendments, such CEFs would first be required to ask shareholders whether they wish to retain holding annual shareholder meetings. This annual meeting retention mechanism would provide existing CEF shareholders the opportunity to decide what is in their own best interest—continue to hold annual meetings, pay for the subsequent costs, and allow the CEF to be more easily attacked by predatory activists *or* align the CEF with the numerous and effective protections that Congress intended and expressly enacted in the Investment Company Act of 1940 (the "1940 Act").

The full letter and text of the recommended amendments is available [here](#).

Kevin Ercoline
Assistant General Counsel

Endnotes

^[1] Notice of Filing of Proposed Rule Change Amending Section 302.00 of the NYSE Listed Company Manual to Exempt Closed-End Funds Registered Under the Investment Company Act of 1940 From the Requirement to Hold Annual Shareholder Meetings, Exchange Act Release No. 100460, 89 Fed. Reg. 56447 (July 9, 2024), *available at*

www.govinfo.gov/content/pkg/FR-2024-07-09/pdf/2024-15037.pdf; Notice of Filing of a Proposed Rule Change, as Modified by Amendment No. 1, To Exempt Closed-End Management Investment Companies Registered Under the Investment Company Act of 1940 From the Annual Meeting of Shareholders Requirement Set Forth in Exchange Rule 14.10(f), Exchange Act Release No. 100473, 89 Fed. Reg. 57491 (July 15, 2024), *available* at www.govinfo.gov/content/pkg/FR-2024-07-15/pdf/2024-15404.pdf.

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