

NEWS RELEASE

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ICI Chairman Says Mutual Funds Should Be Represented on the NYSE Board, October 2003

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Washington, DC, October 1, 2003 – The Investment Company Institute today released two recent letters addressing issues at the New York Stock Exchange.

Mutual Funds Must Have a “Greater Voice at the Exchange” to Advance Needed Trading Reforms and “Represent The Interests Of Investors”

Institute Chairman Paul Haaga sent a [letter](#) urging NYSE Chairman John S. Reed “to secure representation for mutual funds on the board of the Exchange.” Noting the NYSE’s acknowledgment that “the investing public is the Exchange’s ultimate constituency,” Mr. Haaga pointed out that “mutual funds are the primary vehicle through which investors – especially middle-income investors – participate in the equity markets.” Mr. Haaga asserted that “if the interests of investors are to be adequately represented at the Exchange” – and needed trading reforms are to be more constructively addressed – mutual funds must “play a greater role within the NYSE’s governance structure.”

Mr. Haaga said that the NYSE was faced with a “large number of fundamentally important issues,” which made the need for mutual funds to have “a greater voice at the Exchange ... especially important.” Mr. Haaga also thanked Chairman Reed for accepting the “important responsibility” of leading the Exchange, and offered the Institute’s assistance in the weeks and months ahead.

ICI Letter to the SEC Supports Repeal of NYSE Rule 500

In a [letter](#) to the SEC, ICI General Counsel Craig Tyle expressed support for the NYSE’s proposal to repeal NYSE Rule 500. Among other things, Mr. Tyle said that approving the proposal would “create a more level playing field” among markets competing to trade NYSE-listed securities. While welcoming the change, however, Mr. Tyle urged the NYSE and other exchanges to resist the temptation to engage in a “race to the bottom” with respect to listing standards. Mr. Tyle specifically asked the SEC to monitor whether the changes to delisting requirements lead to an erosion of listing standards.

For more information on these and other related issues, visit the markets and investment advisers section of this site.

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