

COMMENT LETTER

December 6, 2002

Comment Letter on Amex Closed-End Fund Listing Program

December 6, 2002

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: File No. SR-Amex-2002-55

Dear Mr. Katz:

The Investment Company Institute^{[1](#)} appreciates the opportunity to comment on the proposed rule change filed by the American Stock Exchange (“Amex”) instituting a pilot program relating to the listing standards applicable to closed-end investment companies registered under the Investment Company Act of 1940.^{[2](#)}

In particular, the proposed rule change would permit the initial listing of a closed-end fund with a market value of publicly held shares or net assets of at least \$20,000,000. The proposed rule change also would permit the listing of a group of funds listed by a single “fund family”^{[3](#)} if: (1) the fund family has a total market value of publicly held shares or net assets of at least \$75,000,000; (2) the closed-end funds in the fund family have an average market value of publicly held shares or net assets of at least \$15,000,000; and (3) each closed-end fund in the fund family has a market value of publicly held shares or net assets of at least \$10,000,000. The SEC has approved the proposal on a temporary basis for a five-month period ending on April 7, 2003.

The Institute supports the Amex proposal. The proposed rule change would facilitate the listing of closed-end funds on Amex, particularly for listings of a group of closed-end funds from a single fund family. As the Release notes, currently, closed-end funds are evaluated for listing pursuant to Amex’s general listing standards. As the Institute has previously stated, the adoption of listing eligibility criteria for closed-end funds should take into account that they are structured and regulated differently from regular operating companies.^{[4](#)} In view of these differences, it is appropriate to apply different financial standards to closed-end funds and regular operating companies.

The Institute appreciates the opportunity to comment on this proposal. Any questions regarding our comments may be directed to the undersigned at (202) 371-5408.

Sincerely,

Ari Burstein
Associate Counsel

cc: Paul F. Roye, Director
Division of Investment Management
Securities and Exchange Commission

Claudia Crowley
Assistant General Counsel - Listing Qualifications
American Stock Exchange

ENDNOTES

1 The Investment Company Institute is the national association of the American investment company industry. Its membership includes 8,955 open-end investment companies (“mutual funds”), 533 closed-end investment companies, and six sponsors of unit investment trusts. Its mutual fund members have assets of about \$6.216 trillion, accounting for approximately 95 percent of total industry assets, and 90.2 million individual shareholders.

2 Securities Exchange Act Release No. 46785 (November 7, 2002), 67 FR 69578 (November 18, 2002) (“Release”).

3 For purposes of the proposed rule change, a “fund family” would be defined as funds with a common investment adviser or investment advisers who are “affiliated persons” as defined in Section 2(a)(3) of the Investment Company Act.

4 Letter from Ari Burstein, Associate Counsel, Investment Company Institute to Jonathan G. Katz, Secretary, SEC, dated April 30, 2002 (File No. SR-NYSE-2001-45).

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