INVESTMENT COMPANY INSTITUTE

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April 21, 2014

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Notice of Filing of a Proposed Rule Change To Amend FINRA Rules 2210 (Communications with the Public) and 2214 (Requirements for the Use of Investment Analysis Tools) (File No. SR-FINRA-2014-012)

Dear Ms. Murphy:

The Investment Company Institute ("ICI")[1] appreciates the opportunity to comment on proposed amendments to FINRA Rule 2210 (the "Rule") and FINRA Rule 2214 offered by the Financial Industry Regulatory Authority ("FINRA").[2] The ICI supports the proposed amendments to FINRA Rule 2210 related to research reports.[3]

Generally speaking, FINRA Rule 2210 sets forth standards applicable to FINRA members (e.g., broker-dealers that act as underwriters and distributors of registered investment company securities) with respect to communications with the public. FINRA Rule 2210(c) imposes filing requirements on certain types of communications, and FINRA Rule 2210(c)(7) excludes several types of communications from these requirements. FINRA is proposing to add a new exclusion for "[r]esearch reports as defined in NASD Rule 2711 that concern only securities that are listed on a national securities exchange, other than research reports required to be filed with the Commission pursuant to Section

[1] The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of $16.8 trillion and serve more than 90 million shareholders.

[2] SEC Release No. 34-71792, 79 FR 18094 (March 31, 2014) ("Proposal"), available at http://www.finra.org/web/groups/industry/@ip/@reg/@rulfil/documents/rulefilings/p474462.pdf.

[3] While the Proposal also contains proposed amendments to the Rule relating to free writing prospectuses and a technical amendment to FINRA Rule 2214, the ICI is commenting only on proposed FINRA Rule 2210(c)(7)(O) related to research reports.

24(b) of the Investment Company Act."[4] If adopted, research reports that analyze exchange-listed closed-end funds would be covered by this new filing exclusion.[5]

In the Proposal, FINRA maintains that this new exclusion is appropriate for a number of reasons:

- Research reports are already subject to comprehensive disclosure, content, and analyst independence requirements under NASD Rule 2711 and SEC Regulation Analyst Certification (Regulation AC);

- Securities listed on a national exchange are less likely to be subject to price manipulation;

- FINRA Rules subject research analysts to registration and qualification requirements; and

- FINRA's Advertising Regulation Department staff generally has not seen significant problems with research reports filed with FINRA.

FINRA also recognizes that there are costs of compliance with the FINRA filing requirement, including that it makes it more difficult for FINRA members to publish research on certain exchange-listed securities in a timely manner.

We agree with FINRA's assessment, and we believe that this new exclusion may facilitate more timely and efficient dissemination of information about closed-end funds to the market by removing a largely unnecessary burden on research reports. As a result, it could encourage more research analysts to evaluate and report on closed-end funds after their securities are offered to the public, resulting in better information for both markets and fund investors.

We commend FINRA for its thoughtful consideration of the costs that are being imposed, and the relatively minor corresponding investor protection benefits being achieved, by the application of the Rule's filing requirements to research reports. We believe that this new exclusion would be beneficial to exchange-listed closed-end funds and their related market participants, without materially diminishing the Rule's investor

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[4] Proposed FINRA Rule 2210(c)(7)(O).

[5] Research reports concerning other types of investment companies would not be permitted to make use of this proposed filing exclusion if they were required to be filed pursuant to Section 24(b) of the Investment Company Act of 1940, as amended, which requires registered open-end companies, registered unit investment trusts, and registered face-amount certificate companies, and their underwriters, to file advertisements, pamphlets, circulars, form letters and other sales literature addressed to or intended for distribution to prospective investors.

protection aims. Therefore, we encourage the Securities and Exchange Commission to approve proposed FINRA Rule 2210(c)(7)(O).

We appreciate your consideration of these comments. If you have any questions, please contact me at (202) 218-3563 or Matthew Thornton at (202) 371-5406.

Sincerely,
/s/ Dorothy Donohue

Dorothy Donohue
Acting General Counsel