



1401 H Street, NW, Washington, DC 20005-2148, USA
202/326-5800 www.ici.org

March 31, 2015

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to Amendments to NYSE Arca Equities Rule 8.600 to Adopt Generic Listing Standards for Managed Fund Shares (File No. SR-NYSEArca-2015-02)

Dear Mr. Fields:

The Investment Company Institute¹ supports efforts by the Securities and Exchange Commission to streamline the process of launching actively managed exchange-traded funds. To this end, NYSE Arca, Inc. has proposed generic listing standards for actively managed ETFs that satisfy certain criteria, making it less time consuming for such funds to list and trade their shares on the exchange.²

Under current rules, NYSE Arca (or other sponsoring exchange) must file a Rule 19b-4 application with the SEC and obtain SEC approval prior to listing and trading the shares of each actively managed ETF. This process, which often takes well over a year, is a key difference between launching index-based and actively managed ETFs. The SEC has approved rules for many exchanges, including NYSE Arca, allowing index-based ETFs that meet certain “generic listing requirements” to be

¹ The Investment Company Institute (ICI) is a leading, global association of regulated funds, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI's U.S. fund members manage total assets of \$17.5 trillion and serve more than 90 million U.S. shareholders.

² SEC Release No. 34-74433 (March 4, 2015), 80 FR 12690 (March 10, 2015) (which would amend NYSE Arca Equities Rule 8.600).

Mr. Brent J. Fields

March 31, 2015

Page 2 of 2

listed without obtaining SEC approval on an individual fund basis.³ The proposed rules similarly would provide uniform listing criteria for actively managed ETFs.

We strongly support efforts to add certainty and uniformity to the ETF listing process. The current 19b-4 application process slows the launch of new ETFs, creates different rules for similar products depending on the approval vintage, deprives investors of new opportunities, and is an inefficient use of SEC's resources.

We also encourage the SEC to revisit the ETF rule first proposed in 2008 that would allow most ETFs to begin operating without obtaining from the SEC individual exemptive orders under the Investment Company Act of 1940. A more uniform regulatory framework built on the experience gained through the review and approval of many individual applications for exemptive relief would be more appropriate for the 22-year-old U.S. ETF industry.

* * * *

We look forward to working with the SEC as it continues to examine these critical issues. If you have any questions or would like additional information, please feel free to contact me directly at (202) 218-3563 or Jane Heinrichs, Associate General Counsel, at (202) 371-5410.

Sincerely,

/s/ Dorothy Donohue

Dorothy Donohue
Deputy General Counsel—Securities Regulation

cc: The Honorable Mary Jo White, Chair
The Honorable Luis Aguilar, Commissioner
The Honorable Dan Gallagher, Commissioner
The Honorable Kara Stein, Commissioner
The Honorable Mike Piwowar, Commissioner

Mr. David Grim
Acting Director, Division of Investment Management

U.S. Securities and Exchange Commission

³ Section 19(b) of the Securities Exchange Act of 1934 requires an exchange to obtain SEC approval for the listing or trading of any new ETF. Rule 19b-4(e) creates an exception from this requirement for ETF shares that meet generic listing requirements that have already been approved by the SEC.