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**COMMENT LETTER**

June 13, 2023

# **ICI Comment Letter on Supplemental Information and Reopening of Comment Period for Amendments Regarding the Definition of "Exchange" Under Rule 3b-16**

The Investment Company Institute is writing to provide comments on the Securities and Exchange Commission's (the "Commission" or SEC) supplemental information and reopening of the comment period for its proposal that would, among other things, amend Rule 3b-16 under the Securities Exchange Act of 1934 ("Exchange Act"), which defines certain terms used in the statutory definition of "exchange." The Reopening Release primarily focuses on how proposed amended Rule 3b-16 ("Proposed Rule 3b-16") would apply to crypto asset securities and blockchain trading systems and provides associated supplementary economic analysis. The Reopening Release additionally provides supplemental commentary on Proposed Rule 3b-16's application to order management systems, order execution systems, and order execution management systems (collectively referred to as OEMSs) and ETF portals. Because ICI members utilize both OEMSs and ETF portals, this letter addresses the Commission's questions in the Reopening Release relating to OEMSs and ETF portals.

ICI agrees with the Commission's statements in the Reopening Release suggesting that OEMSs and ETF portals do not generally have the characteristics of an exchange and do not otherwise fall within the regulatory intent of Proposed Rule 3b-16. As stated in our comment letter filed in response to the Original Proposal, we do not believe the SEC intended OEMSs and ETF portals generally to meet the definition of "exchange," although Proposed Rule 3b-16's broad and ambiguous language created uncertainty regarding whether such systems could be deemed "exchanges."

Read more in the [comment letter](#).