
Doberman: ETF Approval Process Needs Streamlining by the SEC

MARCH 21, 2017

In a recent op-ed for *The Hill*, Partner [Amy Doberman](#) explains why the time is right for the Securities and Exchange Commission (SEC) to adopt a rule that will fast track approvals and level the playing field for “plain vanilla” exchange-traded funds (ETFs). With a new administration and greater attention on capital formation, this is an ideal time for the SEC to enhance efficiency and encourage innovative products.

"Right now, the ETF approval process can take several months, and the standards and restrictions applicable to these funds vary greatly because of changing requirements over the last decade," Doberman writes. "But the SEC is considering a rule that would eliminate the long wait time and provide universal requirements for the ETF industry."

Doberman also notes that the ETF market has bypassed active managers, which have steered clear because they do not wish to disclose their proprietary trading strategies under ETFs' daily portfolio transparency requirements. But several firms have petitioned the SEC for use of a non-transparent ETF structure, which would shield their unique strategies. Approval of such a structure would create a “real revolution” in the ETF industry and finally give active managers a seat at the table, she writes.

“While this development would no doubt hasten the decline of the mutual fund structure, it would also dramatically increase the strategies available through ETFs and would serve as a lifeline for active managers, enabling them to compete and stay relevant despite adverse market conditions,” Doberman writes.

[Read the full article.](#)

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