

MEMO# 20918

March 2, 2007

SEC Staff Guidance Clarifying Final Rule Amendments to Require Electronic Filing of Transfer Agent Forms

[20918]

March 2, 2007

TO: TRANSFER AGENT ADVISORY COMMITTEE No. 13-07
OPERATIONS COMMITTEE No. 4-07
SEC RULES COMMITTEE No. 20-07
SMALL FUNDS COMMITTEE No. 7-07 RE: SEC STAFF GUIDANCE CLARIFYING FINAL RULE
AMENDMENTS TO REQUIRE ELECTRONIC FILING OF TRANSFER AGENT FORMS

As you know, the Securities and Exchange Commission ("SEC" or "Commission") finalized amendments to the rules and forms under Section 17A of the Securities Exchange Act of 1934 to require that the forms filed with respect to transfer agent registration, annual reporting, and withdrawal from registration be filed with the Commission electronically, effective January 11, 2007. [\[1\]](#)

As we previously informed you, the Release [\[2\]](#) clarified several questions on Form TA-2 that were raised in the ICI comment letter [\[3\]](#) submitted to the Commission on the electronic filing of transfer agent forms. One of those clarifications indicated that ownership changes (e.g., individual to trust) should be disclosed under question 10(a) as "transactions processed."

The ICI contacted the staff at the Commission to discuss an inconsistency between the guidance in the Release on question 10(a) of Form TA-2 and previous informal advice from the OCIE staff on the completion of question 10(a) on Form TA-2. The Commission staff has

indicated that transfer agents should continue to complete question 10(a) on Form TA-2 as they have done previously, rather than based on the guidance in the Release. Specifically, transfers of ownership of open-end mutual fund shares should be disclosed in the response to question 4(a) of Form TA-2 rather than in the response to question 10(a) of Form TA-2.

Further discussions between the ICI and the SEC staff identified a typographical error on page 20 of the Release. Paragraph “i.” under “3. Amendments to Form TA-2” should refer to Instruction I.B, not Instruction II.B. Instruction I.B explains the purpose for new question 4(b) on Form TA-2.

As we previously informed you, transfer agents must file an amended Form TA-1 before filing Form TA-2. The SEC provides information on their website at <http://www.sec.gov/info/edgar/ednews/ta-filing.htm> on expected turnaround times for SEC review of amended Form TA-1, and procedures for requesting expedited review of Form TA-1 or requesting an extension to the March 31 filing deadline for Form TA-2.

Questions about the recent verbal guidance from the SEC staff or on the final rule amendments may be directed to the undersigned at butler@ici.org or 202-326-5850, or to Mara Shreck at mshreck@ici.org or 202-326-5923.

Diane M. Butler
Director – Transfer Agency & International Operations

endnotes

[1] See ICI [Memorandum](#) #20810, dated January 26, 2007.

[2] See Electronic Filing of Transfer Agent Forms, SEC Release No. 34-54864, (Dec. 4, 2006), 71 Fed. Reg. 74698 (Dec. 12, 2006) (The “Release”). The Release is available on the SEC’s website at <http://www.sec.gov/rules/final/2006/34-54864.pdf>.

[3] See Letter from Diane M. Butler, Director – Transfer Agency and International Operations, Investment Company Institute, to Nancy M. Morris, Secretary, Securities and Exchange Commission, dated Oct. 26, 2006. The letter is available at <http://memos.ici.org/getPDF.do;jsessionid=0BF01D345C0F325CEF6CE7203440BE62?file=20530>.