

MEMO# 22425

April 14, 2008

Draft ICI Letter Requesting Relief from Asset Coverage Requirements for AMPS Issuers

[22425]

April 14, 2008

TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 16-08 RE: DRAFT ICI LETTER REQUESTING RELIEF FROM ASSET COVERAGE REQUIREMENTS FOR AMPS ISSUERS

As you know, we have been working with members on two separate requests for regulatory relief related to the issues closed-end funds have been experiencing as a result of failed auctions of auction market preferred stock (or AMPS).

Attached is a draft of one of the letters. This letter requests a temporary relaxation of the asset coverage requirements in Section 18(a) of the Investment Company Act to permit closed-end funds to replace AMPS with debt.

We are requesting member feedback on this draft by the close of business tomorrow, Tuesday, April 15. We apologize for the short review period, but we recognize the pressing need for relief in this area and hope to file the letter with the staff as quickly as possible.

Please contact me (ddonohue@ici.org or 202-218-3563) with comments or suggested edits.

Dorothy M. Donohue

Senior Associate Counsel

[Attachment](#)

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.