

MEMO# 8209

September 6, 1996

OHIO PROPOSES REPEAL OF RULE IMPOSING INCONSISTENT INVESTMENT LIMITATIONS

September 6, 1996 TO: SEC RULES COMMITTEE No. 95-96 STATE LIAISON COMMITTEE No. 24-96 UNIT INVESTMENT TRUST COMMITTEE No. 37-96 RE: OHIO PROPOSES REPEAL OF RULE IMPOSING INCONSISTENT INVESTMENT LIMITATIONS

Ohio has published for comment proposed amendments to Rule 1301:6-3-09 that would repeal Ohios investment limitations and other provisions governing the operations of investment companies, which are inconsistent with federal law. In lieu thereof, the Ohio Division of Securities has proposed adoption of the NASAA Guidelines relating to junk bonds, master/feeder funds, periodic payment plans, and telephone transactions. Rather than incorporating such Guidelines by reference, however, they have been set out in their entirety in the proposal as paragraphs (F), (G), (H), and (I), respectively. The definitional sections from each of these Guidelines are set forth in paragraph (D)(1) of the proposed rule. Additionally, Paragraph (J)(2) would be created in Rule 1301:6-3-09 to require an investment company to include with its renewal application, "a written commitment by the fund to continue to comply with [Rule 1301:6-3-09]." Notwithstanding the pendency of the federal legislation that would preempt state registration of mutual funds, including the imposition of any unique investment limitations or disclosure requirements, the Institute strongly encourages its members to write to the Ohio Division of Securities expressing support for the repeal of Ohios inconsistent provisions. If you have any concerns about provisions in the NASAA Guidelines, they should be raised in your comment letter. Comments on the proposal are due no later than October 16, 1996 and should be submitted to Thomas Geyer, Acting Commissioner, Ohio Division of Securities, 77 South High Street, Columbus, Ohio 43215. A copy of the Divisions proposal is attached. Tamara K. Cain Assistant Counsel Attachment

Source URL: <https://icinew-stage.ici.org/memo-8209>

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.