

MEMO# 4660

April 1, 1993

COMMENTS REQUESTED FOR 1993 CONFERENCE ON UNIFORMITY OF FEDERAL-STATE SECURITIES REGULATION AGENDA

April 1, 1993 TO: SEC RULES COMMITTEE NO. 30-93 STATE LIAISON COMMITTEE NO. 18-93
INVESTMENT ADVISERS COMMITTEE NO. 6-93 UNIT INVESTMENT TRUST COMMITTEE NO.
17-93 RE: COMMENTS REQUESTED FOR 1993 CONFERENCE ON UNIFORMITY OF FEDERAL-
STATE SECURITIES REGULATION AGENDA

Since 1983 the Securities and Exchange Commission ("SEC") and the North American Administrators Association, Inc. ("NASAA") have held a conference pursuant to Section 19(c) of the Securities Act of 1933. The policies and purposes of that section are to increase uniformity in matters concerning state and federal regulation of securities, maximize the effectiveness of securities regulation in promoting investor protection and reduce the burdens on capital formation through increased cooperation between the SEC and the state securities regulatory authorities. This year's conference will be held on April 26, 1993 in Washington, D.C. The SEC and NASAA currently are in the process of formulating the agenda for the conference and have requested participation from interested parties through the submission of written comments on the tentative agenda. Topics included in the tentative agenda relating to investment companies and investment advisers are as follows: (1) recommendations in the Protecting Investors: A Half Century of Investment Company Regulation. In particular, conference attendees will discuss the exemption for structured financings, the proposal to create new procedures for the redemption and repurchase of investment company shares and the possible expansion of the "private" investment company exception from registration under Section 3(c)(1) of the 1940 Act; (2) the current status of federal and state efforts toward the goal of more uniform federal and state investment company disclosure requirements and filing procedures. Conference attendees will focus upon the merits of the two- part disclosure format, whether important information is "drifting" from the prospectus to the Statement of Additional Information, and the concern of certain state regulators with respect to "perceived inconsistencies" in the manner in which information is set forth in the fee table; (3) whether certain state disclosure guidelines are necessary and whether such are consistent with the SEC's rules. Specifically, conference attendees will discuss whether there is a need for "junk" bond disclosure guidelines or the proposed NASAA Investment Companies Committee's guidelines on telephone transactions; (4) concerns relating to sales of securities (including mutual funds) by financial institutions; (5) sales practices of broker-dealers with respect to mutual funds and testing of mutual fund salesmen; and (6) the current status of, and possible rule proposals resulting from, the Investment Adviser

Regulatory Enhancement and Disclosure Act of 1933. A copy of SEC release is attached. Written comments must be received by the SEC on or before April 20, 1993 in order to be considered by the conference attendees. Please provide me with any comments you would like included in the Institute's comment letter by Monday, April 12, 1993. My direct telephone number is (202) 955-3517. Patricia Louie Associate Counsel Attachment

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