

**MEMO# 2071**

July 30, 1990

## **RESPONSE TO SEC REQUEST FOR COMMENTS ON PROSPECTUS DELIVERY REQUIREMENT FOR UIT SECONDARY MARKET SALES**

July 30, 1990 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 33-90 RE: RESPONSE TO SEC REQUEST FOR COMMENTS ON PROSPECTUS DELIVERY REQUIREMENT FOR UIT SECONDARY MARKET SALES \_\_\_\_\_ As you know, the SEC has issued a concept release soliciting comments on reform of the regulation of investment companies. One topic addressed in the release is secondary market sales of unit investment trusts and, in particular, possible elimination of the prospectus delivery requirement applicable to UIT sponsors and third party dealers for such sales. Copies of the relevant pages of the release are attached. In considering how and whether the Institute should respond to the questions posed, please note that the Institute considered some of the issues in connection with a similar project several years ago. At the time, the suggestion was made that if a UIT sponsor is deemed not to be an issuer with respect to secondary market sales, while prospectus delivery might no longer be required, Section 22(d) also might not apply to such sales. Accordingly, the Institute may not wish to endorse elimination of the prospectus delivery requirement for these sales. Please let us know how you would like us to proceed by Friday, August 10. Frances M. Stadler Assistant General Counsel Attachments

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