

**MEMO# 3455**

January 20, 1992

# **INSTITUTE LETTER TO SEC STAFF ON SHAREHOLDER CONFIRMATION DELIVERY REQUIREMENTS UNDER RULE 10B-10**

January 20, 1992 TO: OPERATIONS COMMITTEE NO. 1-92 SEC RULES COMMITTEE NO. 4-92  
TRANSFER AGENT ADVISORY COMMITTEE NO. 3-92 UNIT INVESTMENT TRUST COMMITTEE  
NO. 5-92 RE: INSTITUTE LETTER TO SEC STAFF ON SHAREHOLDER CONFIRMATION  
DELIVERY REQUIREMENTS UNDER RULE 10b-10

\_\_\_\_\_ The Institute recently submitted the attached letter to the Securities and Exchange Commission's Division of Market Regulation regarding the confirmation delivery requirements of Rule 10b-10. Specifically, the letter suggests that an amendment to or interpretation of Rule 10b-10 to permit quarterly confirmation of automatic dividend reinvestment transactions in investment company shares would make possible the elimination of millions of confirmations annually, and would result in cost savings to funds and their shareholders without sacrificing investor protection. The letter also asks the staff to confirm the Institute's view that automatic investment plans and systematic withdrawal plans are "investment company plans" as defined in the rule. The letter was based on the results of a survey distributed to the Institute's Operations and Transfer Agent Advisory Committees last year. Before submitting the letter, the Institute was advised by the staff of the Division of Market Regulation that it was unlikely that they would entertain a request for an industry-wide exemption or no action position at this time, in view of the staff's intention to recommend that the Commission propose amendments to Rule 10b-10 along these lines in the near future. Therefore, the attached letter states that it is submitted to assist the staff in expediting the consideration of proposed amendments to Rule 10b-10, and requests that the staff reconsider granting industry-wide relief if the proposed amendments are not imminent. We will keep you informed of developments. Frances M. Stadler Assistant General Counsel  
Attachment