

MEMO# 3675

April 6, 1992

INSTITUTE SUBMITS ADDITIONAL COMMENTS ON PROPOSED MANUAL EXEMPTION RULE IN UTAH

April 6, 1992 TO: UNIT INVESTMENT TRUST COMMITTEE NO. 20-92 RE: INSTITUTE SUBMITS
ADDITIONAL COMMENTS ON PROPOSED MANUAL EXEMPTION RULE IN UTAH

As we previously advised you, due to last year's legislative amendment to the manual exemption provision in the Utah Uniform Securities Act, the Utah Securities Division amended the manual exemption rule. The rule currently requires that the financial statements in the listing contain an unqualified audit report by an independent certified accountant. The Division had been considering a proposed amendment to the rule which would require the filing of a notice and payment of a fee in order to claim the manual exemption. In response to this proposal, the Institute submitted a comment letter to the Securities Division which set forth the impact that imposition of a filing and fee would have on the resale market for units of unit trusts in Utah. (See Memorandum to Unit Investment Trust Committee No. 10-92, dated February 19, 1992.) The Securities Division recently published the proposed amendment to Rule R164-14-2b which outlines the conditions for claiming the manual exemption. The proposed amendment provides that in order to claim the manual exemption, a unit investment trust must have previously registered its shares with the Division or claimed the blue chip exemption. In addition, the proposed amendment requires that a request for confirmation containing certain information be made. However, the financial statements contained in the filing may be unaudited. The Institute contacted the Director of the Securities Division to object to the filing requirement and was assured that the rule would be modified to provide a specific exemption for resales of units of unit investment trusts. A copy of the Institute's letter is attached. We will keep you advised of developments. Patricia Louie Assistant General Counsel Attachment

Source URL: <https://icinew-stage.ici.org/memo-3675>

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.