

MEMO# 2470

January 15, 1991

ASSITIONAL ICI COMMENT LETTERS ON INDEX PARTICIPATION PRODUCTS

January 15, 1991 TO: BOARD OF GOVERNORS NO. 8-91 RE: ADDITIONAL ICI COMMENT
LETTERS ON INDEX PARTICIPATION PRODUCTS

_____ The Institute recently has filed two more letters with the SEC commenting on proposed rules governing index participations. (Last November, the Institute filed a comment letter on proposed amendments by the Philadelphia Stock Exchange to its rules governing its index participation product, known as CIPs. See Memorandum to Board of Governors No. 81-90, dated December 4, 1990.) Copies of both letters are attached. The first letter addresses proposed amendments to the rules governing the index participation products of the American Stock Exchange (known as EIPs). The amendments, similar to those proposed by the Philadelphia Stock Exchange, would permit EIPs to be redeemed daily without payment of any penalty. The second letter comments on a proposal by the New York Stock Exchange, which has proposed its own index participation product called "Equity Receipts" or "ERs". Both Institute letters state that if the index participations constitute securities, they are investment company securities required to be registered and regulated under the 1940 Act. We will keep you informed of developments. Craig S. Tyle Associate General Counsel Attachments

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