

MEMO# 16725

November 6, 2003

SEC STAFF GUIDANCE ON PROXY VOTING REQUIREMENTS

[16725] November 6, 2003 TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 87-03 COMPLIANCE ADVISORY COMMITTEE No. 94-03 SEC RULES MEMBERS No. 151-03 SMALL FUNDS MEMBERS No. 62-03 RE: SEC STAFF GUIDANCE ON PROXY VOTING REQUIREMENTS Since the adoption of the fund proxy voting rules, a number of members have raised questions about the proxy voting requirements for funds that hold only fixed income securities. We have asked the SEC staff for informal guidance on the applicability of the requirements for these funds. According to SEC staff, all funds, including fixed-income funds, would be required to file Form N-PX even if there were no matters on which the funds could vote. In addition, the staff stated that fixed-income funds would have to disclose their votes on any extraordinary matters. Funds that invest exclusively in nonvoting securities, however, would not be required to disclose proxy voting policies and procedures. Jennifer S. Choi Associate Counsel

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