

MEMO# 5980

June 21, 1994

SEC REQUEST FOR COMMENT ON THE EDGAR SYSTEM

June 21, 1994 TO: ACCOUNTING/TREASURERS COMMITTEE NO. 33-94 SEC RULES
COMMITTEE NO. 67-94 RE: SEC REQUEST FOR COMMENT ON THE EDGAR SYSTEM

The Securities and Exchange Commission is requesting public comment on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. Responses will be used to evaluate EDGAR's readiness to accept electronic filing for all SEC registered companies, including investment companies. Currently, fifteen investment company complexes and fourteen unit investment trust sponsors file all federal securities registration materials electronically on the EDGAR system. These filers are part of a "significant test group" which Congress has stated must file successfully for at least six months before the Commission can adopt final mandatory filing rules. The significant test group, which also includes industrial companies filing with the SEC's Division of Corporation Finance, is approaching the conclusion of the six month test period. As of March, 1994, approximately 55,000 live filings had been accepted by the operational EDGAR system. Based on the experience of the significant test group, the Commission is now proposing to expand EDGAR to include all SEC registered companies. Respondents are asked to comment on EDGAR performance in the following areas: integrity, reliability, responsiveness, stability, security, capacity and usability. In addition, respondents are also asked to identify any reason why the Commission should not proceed with mandated electronic filing by all SEC registered companies. Comments should be received by the SEC on or before July 11, 1994. On April 12 the Institute submitted a letter to the Commission detailing several problems its member firms have encountered in connection with submitting filings on the EDGAR system (See Memorandum to Accounting/Treasurers Committee No. 17-94, SEC Rules Committee No. 46-94). These problems related to: a) file transmission speed, b) identification codes and c) timeliness of acceptance/suspension notices. The Institute's letter responding to the Commission's request for public comment will reiterate the concerns raised in our earlier letter and will express general support for mandated electronic filing by all SEC registered companies. If you have any additional comments please call the undersigned no later than July 5 at 202/326-5851. Gregory M. Smith Director - Operations/ Compliance & Fund Accounting Attachment