

**MEMO# 14992**

August 2, 2002

## **SEC REQUEST FOR COMMENT ON APPLICATION OF CEO CERTIFICATION PROPOSAL TO INVESTMENT COMPANIES**

[14992] August 2, 2002 TO: ACCOUNTING/TREASURERS MEMBERS No. 24-02 CLOSED-END INVESTMENT COMPANY MEMBERS No. 31-02 COMPLIANCE ADVISORY COMMITTEE No. 57-02 SEC RULES MEMBERS No. 60-02 UNIT INVESTMENT TRUST MEMBERS No. 17-02 RE: SEC REQUEST FOR COMMENT ON APPLICATION OF CEO CERTIFICATION PROPOSAL TO INVESTMENT COMPANIES The Securities and Exchange Commission has issued a supplemental release related to its CEO certification proposal.<sup>1</sup> The release is available from the SEC's web site at: <http://www.sec.gov/rules/proposed/34-46300.htm>. The Commission's release does several things. First, it clarifies the Commission's intent to issue and make effective final rules related to its CEO certification proposal on or before August 29th, as mandated by the Sarbanes-Oxley Act. In addition, the release differentiates between the rules the Commission is required to adopt under Section 302 of the Act and its proposed rules. More importantly, the Commission's release notes that the Commission is considering the manner of application of Section 302 to registered investment companies. In this regard, the release seeks comment on the following -- a. the manner in which the certification requirement should address RICs; b. the appropriate location for the certification (e.g., Form N-SAR or shareholder reports); c. the appropriate individuals to provide the certification (e.g., RIC officers and/or the RIC's adviser, administrator or depositor); d. how the rule should apply to different types of investment companies (e.g., managed investment companies; UITs); and e. any other matters that are specific to RICs. 1 Proposed Rule: Certification of Disclosure in Companies' Quarterly and Annual Reports, SEC Rel. No. 34-46300 (August 2, 2002). See also SEC Release No. 34-46079 (June 14, 2002); 67 Fed. Reg. 41877 (June 20, 2002). 2 Because of the statutory deadline imposed by the Sarbanes-Oxley Act, the release encourages responses as soon as possible, since the Commission does not expect to be able to consider any comments received after the August 19th deadline. Barry E. Simmons Associate Counsel