

MEMO# 2744

May 8, 1991

IOWA ADOPTS INDEFINITE REGISTRATION PROVISION

May 8, 1991 TO: STATE SECURITIES MEMBERS NO. 20-91 UNIT INVESTMENT TRUST
MEMBERS NO. 19-91 RE: IOWA ADOPTS INDEFINITE REGISTRATION PROVISION

Legislation amending the Iowa Securities Act has been signed by the Governor and becomes effective July 1, 1991. Senate File 520 amends the general registration provisions of the Act to provide that mutual funds and unit investment trusts may register an indefinite amount of securities. Currently, funds and trusts must register a definite amount of securities and pay a registration fee of one-tenth of one percent of the aggregate amount registered (\$50 minimum, \$1,000 maximum). The amendment to Section 502.208(2) of the Act permits a mutual fund or unit trust to register an indefinite amount of securities and at the time of filing either (1) pay the maximum registration fee of \$1,000, or (2) pay a fee of \$250.00 and within ninety days after the end of its fiscal year end, elect to do one of the following: a. pay an additional fee of \$1,250 (no sales report required); or b. file a sales report and pay an additional fee of one-tenth of one percent of the aggregate amount of securities sold in Iowa, with a maximum fee of \$1,250. Please note that if a fund or trust elects to pay the \$250.00 filing fee, the maximum fee that could be paid by a fund or trust is \$1,500. If the fund or trust elects to pay \$1,000 at the time of filing, no additional fees or sales reports need be made until the registration is renewed. The legislation also amends Section 502.208(9) of the Act to provide a one year registration period. Currently, the statute provides that a registration statement remains effective until withdrawn, suspended or revoked. * * * * A copy of Senate File 520 is attached. We will keep you advised of developments. Patricia Louie
Assistant General Counsel Attachment