

**MEMO# 4465**

January 28, 1993

# **MEMORANDUM ON ISSUANCE OF LONG-TERM WARRANTS BY CLOSED-END FUNDS**

January 28, 1993 TO: CLOSED-END FUND COMMITTEE NO. 3-93 RE: MEMORANDUM ON ISSUANCE OF LONG-TERM WARRANTS BY CLOSED-END FUNDS

At the October meeting of the Closed-End Fund Committee, there was a discussion of the possibility of seeking changes to Section 18 of the Investment Company Act of 1940 to permit closed-end investment companies to issue long-term stock warrants. Following that meeting, the Institute asked outside counsel to prepare a memorandum examining the current regulatory scheme and its history, possible regulatory or legislative changes that the Institute might propose to enable closed-end funds to issue such warrants, and the prospects for success for any such changes. A copy of that memorandum is enclosed for your review. We will discuss it at the February 2 Committee meeting. Frances M. Stadler Assistant Counsel Enclosure

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