

MEMO# 951

January 31, 1989

YIELD QUOTATION ON MARKET DISCOUNT MUNICIPAL BONDS

January 31, 1989 TO: UNIT INVESTMENT TRUST MEMBERS NO. 11-89 SEC RULES
COMMITTEE NO. 9-89 RE: YIELD QUOTATION ON MARKET DISCOUNT MUNICIPAL BONDS

As we previously informed you, the Institute has filed a letter with the SEC Divisions of Investment Management and Market Regulation, requesting standardization in the yield formula for mutual funds investing in market discount municipal bonds and for market discount municipal bonds sold directly through dealers. (See Institute Memorandum to SEC Rules Committee No. 7-89, Unit Investment Trust Members No. 4-89 and Yield Implementation Task Force, dated January 18, 1989.) Attached is a copy of the response of the Division of Investment Management, in which the Director of the Division indicates that the staff will consider the request in the context of certain technical amendments to the advertising rules, but that it is likely to be some time before the request is addressed. Also attached is a copy of the response of the Division of Market Regulation, in which the Special Assistant to the Director states that the MSRB will review the request. We will keep you informed of developments. Craig S. Tyle
Assistant General Counsel Attachments

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.