

MEMO# 19038

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SEC ADOPTS EDGAR AMENDMENTS REQUIRING SERIES AND CLASS IDENTIFIERS; MANDATING ELECTRONIC FILING OF FIDELITY BONDS

©2005 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. [19038] July 26, 2005 TO: CLOSED-END INVESTMENT COMPANY MEMBERS No. 41-05 SEC RULES MEMBERS No. 87-05 SMALL FUNDS MEMBERS No. 65-05 VARIABLE INSURANCE PRODUCTS ADVISORY COMMITTEE No. 5-05 RE: SEC ADOPTS EDGAR AMENDMENTS REQUIRING SERIES AND CLASS IDENTIFIERS; MANDATING ELECTRONIC FILING OF FIDELITY BONDS

The Securities and Exchange Commission recently adopted rule amendments that will require open-end investment companies and insurance company separate accounts to obtain series, class and contract identifiers, and to include them in electronic filings.¹ These identifiers will enable EDGAR system users to search for filings relating to a particular series, class or contract. In addition, the Commission has added fidelity bonds filed under Section 17(g) and sales literature filed under Section 24(b) to the list of mandatory electronic filings. The rule amendments requiring series, class and contract identifiers are effective February 6, 2006. The rule amendments adding fidelity bonds and sales literature to the list of mandatory electronic filings are effective June 12, 2006.

Series, Class and Contract Identifiers Many open-end investment companies are organized as trusts or corporations and offer several series or portfolios. Further, each series or portfolio may issue multiple classes of shares. Series and classes of shares are often marketed separately without reference to other series or classes, or to the registrant's name. Individual contracts of insurance company separate accounts are also marketed separately and make filings under the name of the Investment Company Act registrant. The EDGAR System keeps records of filings on an investment company registrant basis. However, EDGAR cannot identify the particular series, class or contract to which a filing relates. The rule amendments will require open-end management investment companies to

1 Investment Company Act Release No. IC-26990 (July 21, 2005) ("Adopting Release") (<http://www.sec.gov/rules/final/33-8590.pdf>).

2 obtain unique identifiers for their series, classes and contracts and to include them in electronic filings. These identifiers will enable EDGAR system users to search and identify filings relating to a particular series, class or contract. Open-end companies registered on Forms N-1A, N-3, N-4, and N-6 ("S/C Funds") will enter information pertaining to their existing series, classes and contracts on a specially created Commission web page.² Information to be entered includes the series name, the class name and ticker symbol. The SEC will then issue series, class and contract identifiers. These identifiers will be ten

characters in length (nine numbers preceded by an “S” for series identifiers and a “C” for class (contract) identifiers) and will uniquely and persistently identify each series, class or contract. Filings made with the Commission will be searchable using the series and class identifiers and the series and class names, without the need for reference to the registrant or company issuing the series or class. S/C Funds will use the specially created web page to update information as required upon specified events, such as a name change and deactivation, liquidation or other events resulting in elimination of a series or class. All S/C Funds will be required to have entered information for their existing series, classes and contracts and received their identifiers no later than February 6, 2006. On and after this date, EDGAR will not accept specified filings that do not contain the required identifiers. Such filings will be suspended if the identifiers are not included or if the identifiers are identifiers not associated with the S/C Fund’s central index key number. The Adopting Release indicates that ensuring that the correct information is contained in EDGAR submissions, including the correct use of CIKs and series and class identifiers should be addressed in a fund’s written policies and overseen by the fund’s Chief Compliance Officer.

Mandatory Electronic Filings The rule amendments add filings required under Section 17(g) to the list of mandatory electronic filings. These filings include fidelity bonds, claims and settlements as required under Rule 17g-1. In addition, the amendments require sales literature filed under Section 24(b) to be filed electronically.³ These amendments requiring mandatory electronic filing are effective June 12, 2006. The Commission’s rule proposal would have required litigation materials filed under Section 33 to be filed electronically. The Institute’s comment letter on the rule proposal noted that litigation materials are typically served on investment company registrants in paper form and that it would be costly and burdensome to convert such materials into electronic form.² The web page is on the EDGAR filing website and is currently open for entry of information for existing series and classes. Appendix J to the EDGARLink Filer Manual outlines the specifics and formatting requirements of the information S/C Funds are to enter.³ Most investment company registrants file sales literature with the NASD in lieu of filing with the SEC, as permitted by Rule 24b-3. The Commission has not changed rule 24b-3 and such registrants will continue to make their sales literature submissions to the NASD only.³ within the ten-day period mandated by Section 33. We are pleased to report that the rule amendments permit, but do not require, Section 33 litigation materials to be filed electronically. Gregory M. Smith
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