

MEMO# 20193

July 19, 2006

Draft Institute Comment Letter on NYSE Proposal to Require Listed Companies to have Websites

©2006 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. [20193] July 19, 2006 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 20-06 RE: DRAFT INSTITUTE COMMENT LETTER ON NYSE PROPOSAL TO REQUIRE LISTED COMPANIES TO HAVE WEBSITES As we previously informed you, the Securities and Exchange Commission has published for comment a New York Stock Exchange proposal that would require each listed company to have a website and to make its annual report to shareholders available on, or by a link through, its website.* The Institute has prepared a draft comment letter on the proposal. A copy of the letter is attached and summarized below. The comment letter is due to the SEC on July 20th. Please provide any comments you have on the draft letter to Dorothy Donohue by phone (202.218-3563) or email (ddonohue@ici.org). The draft letter states that the Institute strongly supports the NYSE proposal and that it is highly appropriate given the tremendous growth in Internet use and its importance to investors as an information source. Requiring issuers to make their annual reports available online will provide investors a more timely and efficient method to access current financial information. Online disclosure can provide investors with the ability to search through documents for key information. The draft letter also recommends a technical change to the proposal to facilitate investment company compliance. It notes that investment companies typically do not have, or maintain, their own websites. Because, in most instances, investment companies are externally managed, a website that contains information about an investment company is typically maintained by a separate entity, such as the fund's investment adviser. To accommodate this unique aspect of investment company operations, the letter recommends that in the case of an investment company that does not maintain its own website, if the investment company's investment adviser, sponsor, depositor, trustee, administrator, principal underwriter or any affiliated person of the investment company maintains a website that includes the investment company's name, the investment company shall make its annual report available on, or by a link through, such website. The letter also urges the Securities and Exchange * See Memorandum to Closed-End Investment Company Committee No. 18-06 [20180], dated July 14, 2006. 2 Commission to move quickly to amend the proxy rules to permit all issuers, including investment companies, to make annual reports available on-line as an alternative to its delivery requirement. Dorothy M. Donohue Associate Counsel Attachment (in .pdf format)

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