

MEMO# 8871

May 7, 1997

SEC SEMI-ANNUAL REGULATORY AGENDA

May 7, 1997 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 19-97 INVESTMENT ADVISERS COMMITTEE No. 17-97 SEC RULES COMMITTEE No. 49-97 UNIT INVESTMENT TRUST COMMITTEE No. 28-97 RE: SEC SEMI-ANNUAL REGULATORY AGENDA

The Securities and Exchange Commission recently published its semi-annual agenda of rulemaking actions. A copy of the agenda is attached. Division of Investment Management items are listed on attached Federal Register pages 22739-40 and summarized on pages 22747-57. The agenda was compiled on March 14, 1997, and the deadline for comments is June 30, 1997. Set forth below is a summary of changes that have occurred since the last semi-annual agenda that may be of interest to Institute members. The following new items (all listed under "Final Rule Stage") have been added to the Division of Investment Managements agenda since it was last updated: 1. Rules Implementing Amendments to the Investment Advisers Act of 1940 (p. 22750) 2. Suspension of Form ADV-S (p. 22751) 3. Investment Company Names (requiring funds to invest 80% of assets in type of investments suggested by their names) (p. 22752) 4. Technical Revisions to the Rules and Forms Regulating Money Market Funds (amending Rule 2a-7) (p. 22752) 5. Proposed New Disclosure Option for Open-End Management Investment Companies (permitting funds to provide investors with a "fund profile") (p. 22754) 6. Private Investment Companies (implementing provisions of the National Securities Markets Improvements Act of 1996 that apply to private investment companies) (p. 22754) 1 This item, which previously was part of "Unit Investment Trusts: Simplification of Regulation Statements" (currently classified as "Proposed Rule Stage"), is being considered in the Commission's agenda as a separate item. 2 The following items have been reclassified to "Final Rule Stage" since the agenda was last updated: From Proposed Rule Stage: 1. Registration Form Used by Open-End Management Investment Companies (amending Form N-1A to revise disclosure requirements for fund prospectuses) (p. 22751) 2. Improving Descriptions of Risk by Mutual Funds and Other Investment Companies (merged into Form N-1A proposal above) (p. 22756) 3. Small Entities for Purposes of the Regulatory Flexibility Act as Applied to the Investment Company Act (amending the definition of the terms "small business" and "small organization") (p. 22752) 4. Multiple Class Companies (amending Rule 18f-3 and Rule 12b-1) (p. 22753) From Long-Term Actions: 5. Custody of Investment Company Assets Outside the United States (amending Rule 17f-5 to revise the findings that currently must be made in establishing foreign custody arrangements) (p. 22753) The following additional reclassifications have occurred since the agenda was last updated: From Long-Term Actions to Completed Actions: 1. Custody of Investment Company Assets With Futures Commission Merchants and Commodity Clearing Organizations (Rule 17f-6) (p. 22756) From Proposed Rule Stage to Final Rule Stage: 2. Performance Advertising by Unit Investment Trusts

(proposed UIT yield formula for use in UIT prospectuses, advertisements, and sales literature) (p. 22752)1 From Proposed Rule Stage to Long-Term Actions: 3. Deposits of Securities in Securities Depositories (amending Rule 17f-4 to expand the types of entities that may be used as securities depositories) (p. 22755) 2 The notice indicates, however, that the Commission may consider the withdrawn item further at some subsequent point. 3 The following items have been reclassified from "Proposed Rule Stage" to "Completed Actions" and subsequently withdrawn from the Commissions agenda because the Commission does not expect to consider them within the next 12 months:2 1. Custody of Investments by a Registered Management Investment Company (possible amendments to Rule 17f-2) (p. 22755) 2. Insurance Products: Rule to Permit Mixed and Shared Funding (p. 22756) Barry E. Simmons Assistant Counsel Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Information Resource Center at (202)326-8304, and ask for this memo's attachment number: 8871.

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