

MEMO# 1626

December 27, 1989

CLARIFICATION OF MARYLAND INDEFINITE REGISTRATION PROCEDURE

December 27, 1989 TO: STATE SECURITIES MEMBERS NO. 46-89 UNIT INVESTMENT TRUST MEMBERS NO. 73-89 RE: CLARIFICATION OF MARYLAND INDEFINITE REGISTRATION PROCEDURE _____ As you know, effective July 1, 1989, Maryland adopted a provision that allows indefinite registration. A mutual fund or unit trust may register an indefinite amount of securities by paying a fee of \$100 at the time of filing. Within six months after the fund's or trust's fiscal year end, the fund or trust must pay a fee of \$650 or file a sales report and pay a fee of one-tenth of one percent of the aggregate offering price of securities sold in the state during the registration period, with a minimum fee of \$100 and a maximum fee of \$400. In response to numerous inquiries regarding the procedure for indefinite registration, the Maryland Division of Securities recently issued an additional statement of policy clarifying the fee payment for indefinite registration. The \$100 fee paid prospectively is intended to serve as an initial filing fee at the time of application for registration of a new registrant. The \$100 fee may also be viewed as a renewal fee to be paid at the time of filing the registration fee for the previous fiscal year and/or the Form USR-1. Therefore, any time a registrant makes a filing with the Division to register initially, or to renew, the \$100 must be paid in addition to any other fee that is required at that time. A registrant that paid a registration fee prior to July 1, 1989 may amend its registration statement for indefinite registration by filing an amended U-1 application with the appropriate registration fee, i.e., \$500 minus the previous registration fee paid prior to July 1, 1989. Registrants may not obtain indefinite registration under the new statute by merely sending in a \$100 fee; such checks will be returned by the Division. The Division has also requested that registrants provide fiscal year information to the Division inasmuch as the filings for indefinite registration are keyed to a registrant's fiscal year end. A copy of Release No. 33, issued by the Maryland Division of Securities on December 21, 1989 is attached. Patricia Louie Assistant General Counsel
Attachment

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