

MEMO# 4566

March 8, 1993

INSTITUTE COMMENTS TO SEC ON NASD PROPOSAL TO AMEND RULE GOVERNING CASH AND NON-CASH COMPENSATION

March 8, 1993 TO: SEC RULES COMMITTEE NO. 20-93 UNIT INVESTMENT TRUST COMMITTEE NO. 12-93 BROKER/DEALER ADVISORY COMMITTEE NO. 10-93 SALES FORCE MARKETING COMMITTEE NO. 20-93 RE: INSTITUTE COMMENTS TO SEC ON NASD PROPOSAL TO AMEND RULE GOVERNING CASH AND NON-CASH COMPENSATION

The Institute submitted the attached letter to the Securities and Exchange Commission in support of the proposal of the National Association of Securities Dealers to amend Article II, Sections 26 and 29 of its Rules of Fair Practice. As you may recall, the NASD proposal would simplify and add a record-keeping requirement in connection with the receipt of cash and non-cash compensation received by members for the sale of investment company securities and variable contracts. (See Memorandum to SEC Rules Committee No. 12-93, Unit Investment Trust Committee No. 7-93 and Broker/Dealer Advisory Committee No. 6-93, dated February 8, 1993 and Sales Force Marketing Committee No. 12-93, dated February 16, 1993.) We will keep you advised of further developments. Patricia Louie Associate Counsel Attachment

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.