

MEMO# 9044

July 8, 1997

SEC PROPOSES MANDATORY ELECTRONIC FILING OF FORM 13F

* SEC Release No. IC-22731 (July 1, 1997). July 8, 1997 TO: ACCOUNTING/TREASURERS
COMMITTEE No. 18-97 INVESTMENT ADVISERS COMMITTEE No. 22-97 SEC RULES
COMMITTEE No. 66-97 RE: SEC PROPOSES MANDATORY ELECTRONIC FILING OF FORM 13F

The Securities and Exchange Commission has issued a proposal to require electronic filing through the EDGAR system of Form 13F. (Form 13F is a report that institutional investment managers with investment discretion over accounts holding at least \$100 million in fair market value of certain equity securities must file quarterly with the SEC.) A copy of the proposal is attached.* Comments on the proposal must be filed by August 7th. If there are issues you would like the Institute to consider addressing in its comment letter, please call me at (202) 326-5822 or Greg Smith at (202) 326-5851 by Monday, July 21st. In explaining the basis for the proposal, the attached release states that the Commission is aware of increasing demand for the electronic availability of Form 13F reports. It indicates that "the Commission believes that shareholders may find the information contained in Form 13F filings useful in tracking institutional investor holdings in their investments and that issuers, too, may find detail as to institutional investor holdings useful, since much of their shareholder list may reflect holdings in 'street name, rather than beneficial ownership." The release points out that the proposal would afford Form 13F reports the same degree of availability to the public as other Commission electronic filings. The release notes that currently, Form 13F reports may be filed electronically on a voluntary basis, on Form 13F-E. Form 13F-E must be filed on magnetic tape, and only about five percent of Form 13F filers use it. The proposal would permit filing of Form 13F reports by direct transmission and diskette as well as by magnetic tape, and the detailed formatting requirements of Form F-E would not apply. Requests for confidential treatment and the information for which confidential treatment is requested would continue to be filed in paper. (Upon denial or expiration of a confidential treatment request, electronic filing would be required.) 2The proposal would amend Rule 13f-1 under the Securities Exchange Act to: (1) specify that each amendment to a Form 13F must either restate the form in its entirety, as amended, or designate the amendment as containing only additions to the previous filed report; and (2) require that amendments be sequentially numbered. In addition, the proposal would revise the organization and presentation (but not the substance) of Form 13F. The proposed new three-part format would include a cover page, a summary page and an information table, each containing specified information. A copy of the proposed revised form is included in the attached release. Frances M. Stadler Associate Counsel Attachment

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