

MEMO# 3154

October 2, 1991

INSTITUTE LETTER TO NASD ON ADVERTISING RULES

October 2, 1991 TO: SEC RULES COMMITTEE NO. 61-91 1990's AD HOC COMMITTEE RE:
INSTITUTE LETTER TO NASD ON ADVERTISING RULES

Attached is a copy of a letter recently submitted by the Institute to the Investment Companies Committee of the NASD. The letter requests that, in connection with the SEC's review of investment company regulation, the Committee recommend that the NASD support changes to the rules under the Securities Act applicable to mutual fund advertising. Specifically, the letter urges that the dichotomy between Rule 134 and Rule 482 advertisements, which results in all performance advertising being limited to information "the substance of which" appears in a fund's statutory prospectus, be abandoned. The letter suggests two ways in which this could be accomplished: by dropping the "substance of which" requirement under Rule 482 or by removing the content limitations under Rule 134. A copy of this letter also has been sent to the Division of Investment Management. Craig S. Tyle Associate General Counsel
Attachment

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