

**MEMO# 15720**

March 4, 2003

# **DRAFT INSTITUTE COMMENT LETTER ON SEC'S PAPERWORK REDUCTION ACT ESTIMATES FOR FILING PROXY VOTING RECORDS**

URGENT/ACTION REQUESTED [15720] March 4, 2003 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 13-03 INVESTMENT ADVISERS COMMITTEE No. 4-03 SEC RULES COMMITTEE No. 21-03 SMALL FUNDS COMMITTEE No. 8-03 RE: DRAFT INSTITUTE COMMENT LETTER ON SEC'S PAPERWORK REDUCTION ACT ESTIMATES FOR FILING PROXY VOTING RECORDS Attached for your review is a draft Institute comment letter on the SEC's Paperwork Reduction Act burden estimates with respect to Form N-PX on which mutual funds would be required to file their complete proxy voting records. As you know, the Commission adopted the new form as part of a package of rules relating to proxy voting by investment companies and investment advisers.<sup>1</sup> In the draft comment letter, the Institute requests that the Commission withdraw Rule 30b1-4 and Form N-PX under the Investment Company Act because the Commission has failed to demonstrate that the collection of information required by Form N-PX meets the standards of the Paperwork Reduction Act. Specifically, the Institute argues that the Commission: (1) has failed to demonstrate that the disclosure of fund proxy voting records is necessary for the proper performance of the Commission's functions, the primary of which is the protection of investors; (2) has underestimated the burden of the collection of information by understating the hourly burden on the industry and the costs (both direct and indirect) associated with disclosing proxy voting records; and (3) has failed to consider adequately alternatives that would achieve all of the Commission's policy goals. The comment letter is due on March 14, 2003. Please review the draft letter and provide any comments you may have to the undersigned at (202) 326-5810 or at [jchoi@ici.org](mailto:jchoi@ici.org) or to Amy Lancellotta at (202) 326-5824 or at [amy@ici.org](mailto:amy@ici.org) no later than March 11, 2003. Jennifer S. Choi Associate Counsel Attachment (in .pdf format) 1 See Memorandum to Closed-End Investment Company Members No. 11-03, Investment Adviser Associate Members No. 2-03, Investment Adviser Members No. 4-03, SEC Rules Members No. 14-03, Small Funds Members No. 6-03 (Feb. 5, 2003).