

MEMO# 6728

March 6, 1995

DISCUSSIONS WITH SEC STAFF ON DELAYING THEIR EFFECTIVE DATE OF THE NON-SIPC STATUS DISCLOSURE REQUIREMENT

March 6, 1995 TO: MEMBERS - ONE PER COMPLEX No. 29-95 SEC RULES COMMITTEE No. 36-95 UNIT INVESTMENT TRUST COMMITTEE No. 26-95 RE: DISCUSSIONS WITH SEC STAFF ON DELAYING THEIR EFFECTIVE DATE OF THE NON-SIPC STATUS DISCLOSURE REQUIREMENT

_____ The Institute has had discussions with representatives of the Division of Market Regulation regarding delaying the effective date of the new requirement under Rule 10b-10 under the Securities Exchange Act of 1934 that disclosure be included on confirmations that the broker or dealer transmitting the confirm or clearing or carrying the customer account is not a member of SIPC, if such is the case. This requirement is scheduled to become effective on April 3, 1995. In a recent letter to the Institute, however, the staff stated that in view of the concerns that the Institute has raised about the new requirement, "a fuller understanding of these issues will assist us in evaluating whether the current limited exception in the rule for transactions in investment company shares could be modified or expanded." Therefore, the staff stated it would be willing to consider a request from the Institute to delay the effective date to July 1, 1995. In response, the Institute submitted a letter to the staff requesting that the effective date be delayed to at least July 1, 1995. A copy of the Institutes letter is attached. Based on informal discussions with the staff, it appears that the staff is inclined to grant our request to delay the effective date of this requirement to July 1, 1995. We have not yet, however, received a definitive response from the staff or the Commission to our request. We will forward to you any such response as soon as we receive it. In the meantime, please call the undersigned at 202/326-5824 with any questions you have concerning this matter. Amy B.R. Lancellotta Associate Counsel Attachment