

**MEMO# 8842**

April 30, 1997

## **INSTITUTE COMMENT LETTER ON PROPOSED REVISIONS TO RULE 144, RULE 145, AND REGULATION S**

\* See Memorandum to Closed-End Investment Company Members No. 9-97 and SEC Rules Members No. 19-97, dated March 6, 1997. April 30, 1997 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 18-97 SEC RULES COMMITTEE No. 46-97 RE: INSTITUTE COMMENT LETTER ON PROPOSED REVISIONS TO RULE 144, RULE 145, AND REGULATION S

Earlier this year, the Securities and Exchange Commission proposed significant amendments to Rule 144, Rule 145 and Regulation S under the Securities Act of 1933.\* The Institute recently submitted the attached comment letter on the Commissions proposals. The Institutes letter urges the Commission to clarify in the adopting release that investment companies and investment advisers that meet the conditions of Rule 16a-1(a)(1) under the Securities Exchange Act of 1934 would not be deemed to be "affiliates" of issuers for purposes of Rule 144 or Rule 145. The letter also recommends that the Commission shorten Rule 144s holding period to one year (from two years) for unlimited resales of restricted securities by non-affiliates of the issuer of the securities. Finally, the letter recommends that the holding periods for Category 2 and Category 3 securities under Regulation S be made consistent with Rule 144s holding periods (i.e., one year), and requests that the Commission clarify that mutual fund purchases of certain discounted securities are permissible under Regulation S. Dorothy M. Donohue Associate Counsel Attachment (in .pdf format)

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