

**MEMO# 1224**

June 16, 1989

## **SEC APPROVES NASD PROPOSAL OF NEW REGISTRATION CATEGORY**

June 16, 1989 TO: OPERATIONS COMMITTEE NO. 10-89 SEC RULES COMMITTEE NO. 28-89  
BROKER/DEALER ADVISORY COMMITTEE NO. 27-89 TRANSFER AGENT SHAREHOLDER  
ACCOUNTING ADV. COMMITTEE NO. 12-89 RE: SEC APPROVES NASD PROPOSAL OF NEW  
REGISTRATION CATEGORY -- ADOPTING RELEASE CLARIFIES THAT MUTUAL FUND  
MINISTERIAL PERSONNEL ARE EXEMPT

\_\_\_\_\_ The SEC has approved the proposal of the NASD to establish a new category of registration, Assistant Representative - Order Processing. The category is limited to accepting unsolicited customer orders on behalf of existing accounts. The SEC published the proposal for comment last fall. (See Memorandum to Broker-Dealer Advisory Committee No. 16-88, Operations Committee No. 26-88, SEC Rules Committee No. 64-88 and Transfer Agent Shareholder Advisory Committee No. 28-88, dated October 28, 1988). The Institute previously had filed a comment letter on the proposal, in which it expressed concern that the new category would encompass employees engaged solely in routine mutual fund shareholder servicing and transfer agent operations, such as accepting telephone purchases, exchanges and redemptions. This would require such employees to register and take examinations. In the adopting release, the SEC responded to these comments by stating that the proposal "is not intended to cover such personnel" and that the "ministerial" exemption from registration in the By-Laws of the NASD would continue to be available. Copies of the adopting release and the Institute's comment letter are attached. Craig S. Tyle Assistant General Counsel