

MEMO# 4057

August 28, 1992

INSTITUTE SUBMITS REQUEST FOR INTERPRETATION OF CONFIRMATION DELIVERY REQUIREMENTS UNDER RULE 10B-10

August 28, 1992 TO: OPERATIONS COMMITTEE NO. 29-92 SEC RULES COMMITTEE NO. 64-92
TRANSFER AGENT ADVISORY COMMITTEE NO. 48-92 UNIT INVESTMENT TRUST COMMITTEE
NO. 48-92 RE: INSTITUTE SUBMITS REQUEST FOR INTERPRETATION OF CONFIRMATION
DELIVERY REQUIREMENTS UNDER RULE 10b-10

_____ The Institute has submitted to the SEC's Division of Market Regulation the attached letter requesting that the Division issue an interpretation under Rule 10b-10 under the Securities Exchange Act of 1934 taking the position that automatic dividend reinvestment services offered by investment companies constitute "investment company plans" for purposes of the confirmation requirements set forth in that rule. A draft of the Institute's letter was previously sent to you. (See Memorandum to Operations Committee No. 26-92, SEC Rules Committee No. 59-92, Transfer Agent Advisory Committee No. 45-92 and Unit Investment Trust Committee No. 43-92, dated August 17, 1992.) Under the interpretation proposed by the Institute, automatic dividend reinvestment transactions in investment company shares could be confirmed on quarterly statements, in accordance with the procedures prescribed by Rule 10b-10(b), rather than immediately, as required by Rule 10b-10(a). The letter also seeks clarification that certain automatic investment plans and systematic withdrawal plans are "investment company plans" eligible to use the quarterly confirmation procedures. We will keep you informed of developments. Frances M. Stadler Assistant Counsel Attachment