

MEMO# 5908

May 23, 1994

SEC ADOPTS AMENDMENTS TO PUBLIC UTILITY HOLDING COMPANY ACT RULES

May 23, 1994 TO: INVESTMENT ADVISERS COMMITTEE NO. 35-94 SEC RULES COMMITTEE NO. 56-94 RE: SEC ADOPTS AMENDMENTS TO PUBLIC UTILITY HOLDING COMPANY ACT RULES _____ Last year, the Institute submitted a comment letter to the Securities and Exchange Commission to request that a rule exempting registered investment companies and investment advisers from the Public Utility Holding Company Act of 1934 ("the 1935 Act") be adopted. The Institute's comment letter expressed the view that the 1935 Act was not intended to cover registered investment companies and investment advisers (on behalf of clients) purchasing utility company securities in the ordinary course of business and not for the purpose of influencing or exercising control. (See Memorandum to SEC Rules Committee No. 3-93 and Investment Advisers Committee No. 2-93, dated January 7, 1993.) The Institute suggested that the Commission consider this exemptive rule in connection with a pending proposal to amend several rules under the 1935 Act. The SEC recently adopted amendments to certain rules and forms under the 1935 Act, which expand certain exemptions and generally update and clarify the requirements of the rules. The amendments, however, do not include an exemption for registered investment companies and investment advisers as requested by the Institute. A copy of the SEC's release is attached. The amendments will be effective on May 31. Frances M. Stadler Associate Counsel Attachment

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