

MEMO# 19069

August 5, 2005

SEC EXTENDS COMMENT PERIOD FOR PROPOSED NASD RULE RELATING TO TRANSACTIONS IN DEFERRED VARIABLE ANNUITIES

©2005 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [19069] August 5, 2005 TO: SEC RULES COMMITTEE No. 46-05 VARIABLE INSURANCE PRODUCTS ADVISORY COMMITTEE No. 7-05 RE: SEC EXTENDS COMMENT PERIOD FOR PROPOSED NASD RULE RELATING TO TRANSACTIONS IN DEFERRED VARIABLE ANNUITIES As we recently reported to you, the Securities and Exchange Commission published a revised version of the NASD's proposed new Rule 2821 that would impose recommendation requirements (including a suitability obligation), principal review and approval requirements, and supervisory and training requirements tailored specifically to transactions in deferred variable annuities. 1 As reported, the comment period for the proposal is scheduled to end on August 11, 2005; however, in order to give the public additional time to comment on the proposed rule, the SEC has decided to extend the comment period to Monday, September 19, 2005.² The Institute will be submitting a comment letter on the NASD proposal. If you have comments that you would like to be considered in the letter, please provide them to Barry Simmons at 202/326-5923 or bsimmons@ici.org. Barry E. Simmons Associate Counsel 1 See Memorandum to SEC Rules Committee No. 44-05 and Variable Insurance Products Advisory Committee No. 6-05, dated August 2, 2005. 2 See Self-Regulatory Organizations; National Association of Securities Dealers Inc.; Notice of Extension of the Comment Period for the Proposed Rule and Amendment No. 1 Thereto Relating to Sales Practice Standards and Supervisory Requirements for Transactions in Deferred Variable Annuities; Corrected, SEC Release No. 34-52046A (July 19, 2005). The NASD's release is available at <http://www.sec.gov/rules/sro/nasd/34-52191.pdf>.