

MEMO# 8178

August 26, 1996

DRAFT INSTITUTE COMMENT LETTER ON RULE CHANGES CONCERNING DISCLOSURE OF OWNERSHIP IN PUBLIC COMPANIES

1 See Memorandum to Closed-End Fund Committee No. 20-96, Investment Advisers Committee No. 18-96, SEC Rules Committee No. 77-96, Unit Investment Trust Committee No. 29-96, dated July 25, 1996. August 26, 1996 TO: CLOSED-END FUND COMMITTEE No. 27-96 INVESTMENT ADVISERS COMMITTEE No. 19-96 SEC RULES COMMITTEE No. 90-96 UNIT INVESTMENT TRUST COMMITTEE No. 36-96 RE: DRAFT INSTITUTE COMMENT LETTER ON RULE CHANGES CONCERNING DISCLOSURE OF OWNERSHIP IN PUBLIC COMPANIES

Attached for your review is a draft of the Institutes comment letter on the Securities and Exchange Commissions re-proposed rule amendments relating to the reporting of beneficial ownership in publicly-held corporations under Sections 13(d) of the Exchange Act of 1934.¹ In addition to supporting the Commissions general goal in simplifying beneficial ownership reporting, the letter strongly supports the Commissions decision not to re-propose a provision that would have required qualified institutional investors who have already filed a Schedule 13G for a class of equity securities to file a Schedule 13D within ten days of their acquiring 20 percent or more of the securities and be subject to a cooling-off period. The letter recommends that the Commission should (1) consider expanding the class of parent holding companies eligible to file on Schedule 13G; and (2) not adopt the proposed amendment that would require a copy of each Schedule 13G to be filed with every exchange on which the security is traded. Both of these recommendations were made in the Institutes comment letter to the Commission on the originally proposed rule amendments. Since comments must be received by the Commission by September 9, 1996, please contact the undersigned (at either 202/326-5923 or gavis@ici.com) by close of business on Thursday, September 6 with any comments on the draft letter. Alexander C. Gavis Assistant Counsel Attachment