

MEMO# 15933

April 23, 2003

DRAFT ICI LETTER ON PROPOSED AMENDMENTS TO CFTC RULE 4.5 TO ACCOMMODATE TRADING OF STOCK FUTURES BY INVESTMENT COMPANIES

[15933] April 23, 2003 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 29-03 SEC RULES COMMITTEE No. 38-03 RE: DRAFT ICI LETTER ON PROPOSED AMENDMENTS TO CFTC RULE 4.5 TO ACCOMMODATE TRADING OF STOCK FUTURES BY INVESTMENT COMPANIES As we previously advised you, in March, the Commodity Futures Trading Commission proposed for comment revisions to Rule 4.5 under the Commodity Exchange Act.* These revisions are intended to expand the current exclusions from the definition of “commodity pool operator” for registered investment companies and other regulated entities to accommodate the trading of security futures and stock index futures. In response to the CFTC’s request for comments, the Institute has prepared the attached letter supporting the adoption of the proposed revisions. The Institute’s letter commends the CFTC for recognizing the need to update Rule 4.5 in this manner. It notes that the revisions will provide registered investment companies increased flexibility to invest in security futures and stock index futures when appropriate in the interests of their shareholders. Comments on the proposed amendments are due to the CFTC by Thursday, May 1st. Persons with comments on the Institute’s draft letter should provide them to the undersigned no later than Tuesday, April 29th. Comments may be provided by phone (202- 326-5825) or e-mail (tamara@ici.org). Tamara K. Salmon Senior Associate Counsel Attachment (in .pdf format) * See Memorandum No. 15822, dated March 28, 2002.