

MEMO# 2341

November 26, 1990

INSTITUTE COMMENT LETTER ON PROPOSED AMENDMENTS TO RULE 6C-9

November 26, 1990 TO: SEC RULES COMMITTEE NO. 63-90 INTERNATIONAL FUNDS TASK FORCE NO. 28-90 RE: INSTITUTE COMMENT LETTER ON PROPOSED AMENDMENTS TO RULE 6c-9 _____ Attached is a copy of the Institute's comment letter on the proposed amendments to Rule 6c-9 under the 1940 Act. A draft of the letter was previously circulated to you. (See Memorandum to SEC Rules Committee No. 58-90 and International Funds Task Force No. 26-90, dated November 7, 1990.) The Institute's letter is substantially the same as the draft. It endorses the proposed amendments, which would broaden the exemption from registration under Rule 6c-9 to include equity securities issued by foreign banks and their finance subsidiaries and debt and equity securities issued by foreign insurance companies and their finance subsidiaries and parent holding companies of foreign banks and insurance companies. It also recommends that similar amendments be made to Rule 12d1-1 to permit registered investment companies to purchase securities issued by parent holding companies of foreign banks and foreign insurance companies and U.S. branches and agencies of foreign banks free from the restrictions contained in Section 12(d)(1)(A). The letter was revised to also request that the staff reconsider its position that the freedom of money market funds to concentrate in bank instruments is limited to domestic banks. (See footnote 9 on page 4.) We will keep you informed of developments. Craig S. Tyle Associate General Counsel
Attachment