

MEMO# 2211

September 24, 1990

INSTITUTE FILES COMMENT LETTER SUPPORTING SEC'S PROPOSED CONCEPTUAL APPROACH REGARDING MULTINATIONAL TENDER AND EXCHANGE OFFERS

September 24, 1990 TO: INVESTMENT ADVISERS COMMITTEE NO. 32-90 SEC RULES COMMITTEE NO. 52-90 CLOSED-END FUND COMMITTEE NO. 21-90 INTERNATIONAL FUNDS TASK FORCE NO. 22-90 RE: INSTITUTE FILES COMMENT LETTER SUPPORTING SEC'S PROPOSED CONCEPTUAL APPROACH REGARDING MULTINATIONAL TENDER AND EXCHANGE OFFERS _____ As we previously informed you, the SEC recently issued a concept release seeking comments on a proposed conceptual approach intended to encourage foreign bidders and issuers to extend offshore tender and exchange offers to U.S. securityholders, where U.S. holdings constitute a small portion of the transaction. (See Memorandum to Investment Advisers Committee No. 19-90, SEC Rules Committee No. 34-90, Closed-End Fund Committee No. 14-90 and International Funds Task Force No. 14-90.) Currently, U.S. investors may be excluded from these transactions because of the costs and delays associated with compliance with applicable U.S. laws and regulations. Attached is a copy of the Institute's comment letter as filed with the SEC. The comment letter expresses general support for the SEC's proposed conceptual approach, which would permit foreign bidders and issuers to make multinational tender and exchange offers to U.S. securityholders on the basis of foreign disclosure, procedural and accounting requirements in cases where U.S. securityholders own a small portion of the securities that are the subject of the offer. Frances M. Stadler Assistant General Counsel Attachment