

MEMO# 3133

September 25, 1991

INSTITUTE LETTER TO SEC STAFF CONCERNING THE FILING REQUIREMENTS OF AFFILIATED PERSONS OF A CLOSED-END FUND'S ADVISER UNDER SECTION 30(F) OF THE 1940 ACT

September 25, 1991 TO: CLOSED-END FUND COMMITTEE NO. 25-91 RE: INSTITUTE LETTER TO SEC STAFF CONCERNING THE FILING REQUIREMENTS OF AFFILIATED PERSONS OF A CLOSED-END FUND'S ADVISER UNDER SECTION 30(f) OF THE 1940 ACT

The Institute submitted the attached letter to the SEC staff concerning the filing requirements of affiliated persons of the investment adviser to a closed-end fund under Section 30(f) of the Investment Company Act, which subjects every affiliated person of the fund's adviser, with respect to its transactions in any securities of such fund, to the filing requirements regarding beneficial ownership under Section 16 of the Securities Exchange Act. Thus, entities that are under common control with or control the adviser may be subject to the requirements under Section 16, even though they do not engage in any activities that provide them with access to confidential information about the fund. The Institute recently discussed with a member of the SEC staff the possibility of seeking relief from Section 30(f) for certain affiliated persons of the investment adviser. The staff member responded that the staff was willing to consider the issue and also what type of relief would be appropriate (i.e., whether such relief should be in the form of a no-action letter or an exemptive rule under Section 30). To assist them in their consideration of this issue, the staff member requested that the Institute submit a letter describing the issue and the rationale for requesting such relief. In the attached letter, the Institute expressed its view that Section 30(f) should be interpreted to require affiliates of the adviser to comply with the Section 16 requirements only with respect to its transactions in any securities issued by the closed-end fund. In the event the staff does not concur with this interpretation, the Institute requests the staff to consider granting relief from the broad requirements of Section 30(f) to those affiliates of the adviser that are not in a position to obtain confidential information about the fund or to effect a change in or influence control of the fund. The Institute expects to file a formal request for relief from Section 30(f) for certain affiliates of the fund's adviser, depending on the staff's response to the letter. We will keep you informed of developments on this matter. Amy B.R. Lancellotta Assistant General Counsel Attachment

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