

MEMO# 8287

October 8, 1996

DRAFT INSTITUTE COMMENT LETTER ON ADVISORY COMMITTEE ON CAPITAL FORMATION REPORT AND CONCEPT RELEASE

* See Memorandum to Closed-End Fund Committee No. 24-96; SEC Rules Committee No. 86-96. October 8, 1996 TO: CLOSED-END FUND COMMITTEE No. 33-96 INVESTMENT ISSUES COMMITTEE No. 10-96 SEC RULES COMMITTEE No. 105-96 RE: DRAFT INSTITUTE COMMENT LETTER ON ADVISORY COMMITTEE ON CAPITAL FORMATION REPORT AND CONCEPT RELEASE _____ As

we previously informed you, the Securities and Exchange Commission has published for comment the Report of The Advisory Committee on Capital Formation and a related Concept Release discussing various issues from the Report.* Attached is a draft of the Institutes comment letter on the Report and Concept Release. The draft letter recommends that, if a company registration system is proposed for the offering of debt securities, the SEC should ensure that investment companies and other purchasers continue to receive important pre-sale information. The letter strongly supports the SECs statements concerning the readability and informativeness of mutual fund profile prospectuses and recommends that the SEC consider ways in which corporate issuers might use a profile prospectus. The letter recommends that the company registration system continue to maintain the liability standards currently applicable to securities offerings. Finally, it recommends that, before implementing a company registration system, the SEC determine whether there would be any unintended affects upon rules and regulations applicable to investment companies and other regulated entities, and that the SEC use a pilot program for the implementation of a company registration system. The deadline for comments on the Report and Concept Release is October 31, 1996. If you have any comments on the Institutes draft comment letter, please contact the undersigned at 202/326-5923 or at gavis@ici.com by Wednesday, October 23, 1996. Alexander C. Gavis Assistant Counsel Attachment