

MEMO# 7501

December 20, 1995

SEC ADVISORY COMMITTEE ON CAPITAL FORMATION

1 The Institute commented generally on the company registration proposal in a letter to Commissioner Wallman, dated September 21, 1995. A copy of the letter is also attached.
December 20, 1995 TO: CLOSED-END FUND COMMITTEE No. 63-95 RE: SEC ADVISORY COMMITTEE ON CAPITAL FORMATION

Earlier this year, SEC Commissioner Steven M.H. Wallman established the Advisory Committee on Capital Formation and Regulatory Processes. The Advisory Committee's purpose is to assist the SEC in evaluating the efficiency and effectiveness of the disclosure requirements under the federal securities laws relating to public offerings of securities, secondary market trading, and corporate reporting. As a result of its efforts, the Committee has developed a proposal for a "company registration" system that, among other things, would streamline the system of registration for issuers that meet certain eligibility requirements and that intend to offer their shares to the public. A copy of the Committee's Term Sheet, which describes the proposal in detail, is attached. As currently proposed, an eligible issuer could register once with the SEC and then conduct subsequent financings by using an abbreviated system of disclosure along with "disclosure enhancements" that are designed to improve the level and reliability of secondary market disclosure for the issuer's securities. The Advisory Committee is currently in the process of determining, among other things, whether closed-end funds should be eligible to use the company registration system (page 7 of the attachment). In this regard, the Institute is considering sending a letter to Commissioner Wallman, which would take the position that closed-end funds should be eligible to use the company registration system.¹ If you have comments on the company registration proposal and/or its application to closed-end funds, please contact the undersigned (at 212/969-2108) or Alex Gavis (at 202/326-5923) by January 10, 1996.
Edmund P. Bergan, Jr. Chairman Closed-End Fund Committee Attachment