

**MEMO# 1991**

June 29, 1990

# **INSTITUTE FILES COMMENT LETTER RECOMMENDING EXTENSION OF REGULATION S TO OPEN-END INVESTMENT COMPANIES AND UNIT INVESTMENT TRUSTS**

June 29, 1990 TO: CLOSED-END FUND MEMBERS NO. 23-90 SEC RULES MEMBERS NO. 45-90  
UNIT INVESTMENT TRUST COMMITTEE NO. 28-90 INTERNATIONAL FUNDS TASK FORCE NO.  
15-90 RE: INSTITUTE FILES COMMENT LETTER RECOMMENDING EXTENSION OF  
REGULATION S TO OPEN-END INVESTMENT COMPANIES AND UNIT INVESTMENT TRUSTS

The Institute filed the attached comment letter with the SEC recommending that Regulation S be made applicable to offers and sales of securities issued by open-end investment companies and unit investment trusts registered under the Investment Company Act of 1940. Regulation S, which became effective on May 2, 1990, provides two safe harbors from 1933 Act registration requirements for specified offshore offers and sales of securities, provided certain conditions are met. However, as adopted, it specifically excludes offers and sales of securities issued by open-end investment companies or unit investment trusts registered or required to register under the 1940 Act. The release adopting Regulation S requested comments on whether it should be extended to registered mutual funds and unit investment trusts. (See Memorandum to SEC Rules Members No. 33-90, Unit Investment Trust Committee No. 22-90, International Funds Task Force No. 6-90, Closed-End Fund Members No. 17-90, dated May 4, 1990.) The attached comment letter states that the ability of registered mutual funds and unit investment trusts to rely on the Regulation S safe harbor would promote the distribution of such issuers' securities in international markets. Moreover, there is no compelling reason to discriminate against those issuers. Finally, the letter recommends that all registered investment companies (including closed-end investment companies) be considered "reporting issuers" eligible for the second issuer safe harbor category of Regulation S. Frances M. Stadler Assistant General Counsel  
Attachment