

MEMO# 13414

April 16, 2001

INSTITUTE LETTER REQUESTING AN EXEMPTION FROM UK'S BENEFICIAL OWNERSHIP REPORTING REQUIREMENTS

[13414] April 16, 2001 TO: INTERNATIONAL COMMITTEE No. 30-01 RE: INSTITUTE LETTER REQUESTING AN EXEMPTION FROM UK'S BENEFICIAL OWNERSHIP REPORTING REQUIREMENTS Last year, the Institute had sought relief from the beneficial ownership disclosure requirements under UK law for members investing in UK securities from the UK Department of Trade and Industry (DTI).¹ Specifically, the Institute requested that the threshold level for reporting securities ownership under the UK Companies Act for non-European Union money managers be increased to the same level applicable to European Union (EU) money managers. During a recent trip to Europe, the Institute staff again met with the staff of the DTI, which administers the law that imposes the securities ownership reporting obligations. The DTI was generally supportive of our request for relief. The DTI, however, was concerned about minimizing the potential for abuse of the exemption and was struggling with how to draft the provision so that the exemption would be available only for managers from properly regulated jurisdictions. At the meeting, DTI also requested information regarding how the beneficial ownership reporting system operates in the United States. In response, the Institute has submitted a letter, a copy of which is attached, reiterating our interest in obtaining an exemption for members filing beneficial ownership reports in the UK, suggesting an approach to drafting the exemption for non-EU asset managers, and providing information regarding the US beneficial ownership reporting system. Jennifer S. Choi Assistant Counsel Attachment Attachment (in .pdf format) 1 See Memorandum to International Committee No. 13-00 (Apr. 14, 2000).