

**MEMO# 2334**

November 20, 1990

# **SEC APPROPRIATIONS BILL MAKES PERMANENT LAST YEAR'S REGISTRATION FEE INCREASE; PRESIDENT SIGNS "SECURITIES ACT AMENDMENTS OF 1990"**

November 20, 1990 TO: SEC RULES MEMBERS NO. 78-90 UNIT INVESTMENT TRUST  
MEMBERS NO. 72-90 CLOSED-END FUND MEMBERS NO. 44-90 RE: SEC APPROPRIATIONS  
BILL MAKES PERMANENT LAST YEAR'S REGISTRATION FEE INCREASE; PRESIDENT SIGNS  
"SECURITIES ACT AMENDMENTS OF 1990"

President Bush recently signed legislation providing appropriations of approximately \$190 million to the SEC for fiscal 1991. The legislation makes permanent the increase enacted last year in the rate of registration fees under Section 6(b) of the Securities Act of 1933 from one-fiftieth of one percent to one-fortieth of one percent, subject to repeal upon the enactment of other legislation increasing the rate of fees under Section 6(b). The President also signed the "Securities Act Amendments of 1990". That bill has four sections. Title III of the bill (the "Shareholder Communications Improvement Act of 1990") expands the provisions of the Securities Exchange Act of 1934 that prescribe the obligations of broker-dealers and banks serving as record holders to forward certain communications, including proxy materials and information statements, to the beneficial owners of the securities. Currently, those requirements apply with respect to any security registered pursuant to Section 12 of the 1934 Act (which would include shares of a closed-end investment company listed on an exchange). As amended, the provisions are extended to cover any security issued by a registered investment company. These amendments become effective 180 days after enactment. Title I of the Securities Act Amendments of 1990 authorizes appropriations for the SEC. Title II contains the "International Securities Enforcement Cooperation Act of 1990" which, among other things, provides for coordination and exchange of information among the SEC and foreign securities authorities, and authorizes the SEC to impose sanctions on and/or bar from the securities business securities professionals found by foreign regulators to have violated foreign securities laws. Title IV contains comprehensive amendments to the Trust Indenture Act of 1939 intended to modernize that statute. Frances M. Stadler  
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