

MEMO# 2035

July 16, 1990

RHODE ISLAND ENACTS LEGISLATION INCREASING FEES

July 16, 1990 TO: STATE SECURITIES MEMBERS NO. 25-90 UNIT INVESTMENT TRUST
MEMBERS NO. 51-90 RE: RHODE ISLAND ENACTS LEGISLATION INCREASING FEES

Effective July 12, 1990, Rhode Island enacted a new securities act that, among other provisions, increases the fee to claim the blue chip exemption from registration. Previously, qualified mutual funds and unit trusts paid a fee of \$200 to claim the blue chip exemption. Pursuant to Section 7-11-401(14) of the Act, the fee to claim the blue chip exemption for qualified mutual funds and unit trusts is \$300. Mutual funds and unit trusts unable to claim the blue chip exemption, must register by coordination pursuant to Section 7-11-303 of the Act. The fee to register by coordination has been increased to one-tenth of one percent of the amount registered, with a minimum fee of \$300 and a maximum fee of \$1,000. Section 7-11-305 of the Act also provides that mutual funds and unit trusts may register an indefinite amount of securities by paying an initial non-refundable fee of \$300, and within sixty days after the issuer's fiscal year an additional non-refundable fee of \$300, or file a sales report specifying the number of shares sold and pay a fee of one-tenth of one percent of the amount sold, with a minimum fee of \$300 and maximum fee of \$1,000. Accordingly, if a fund or trust elects to file a sales report, the possible maximum fee paid by the fund or trust would be \$1,300 (includes the initial \$300 filing fee). If a fund elects not to file a sales report, the maximum fee is \$600 (includes the initial \$300 filing fee). A copy of S.1814 is attached. Patricia Louie Assistant General Counsel Attachment

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