

MEMO# 3437

January 15, 1992

FORMATION OF SECONDARY MARKET DISCLOSURE TASK FORCE

January 15, 1992 TO: SEC RULES COMMITTEE NO. 3-92 UNIT INVESTMENT TRUST
COMMITTEE NO. 2-92 MONEY MARKET FUNDS AD HOC COMMITTEE NO. 2-92 RE:
FORMATION OF SECONDARY MARKET DISCLOSURE TASK FORCE

Several Institute members have expressed concern about the lack of secondary market disclosure in the debt markets. In addition, SEC Commissioner Roberts discussed this issue in his keynote address at the Institute's Conference on Creditors' Rights Issues for Investment Companies last November. As a first step to address this problem, Commissioner Roberts suggested that the Commission consider restricting tax-exempt money market funds from investing in short-term municipal securities of issuers that do not pledge to provide secondary market disclosure. At the SEC Rules Committee meeting on January 14, we briefly discussed forming a task force to consider this issue and possible ways in which it could be addressed. If you are interested in participating on this task force, please call me at 202/955-3523 by January 31. Amy B.R. Lancellotta Associate General Counsel