

MEMO# 1741

February 28, 1990

COMMENTS ON MASSACHUSETTS PROPOSED RULES

February 28, 1990 TO: STATE SECURITIES MEMBERS NO. 2-90 UNIT INVESTMENT TRUST
MEMBERS NO. 13-90 RE: COMMENTS ON MASSACHUSETTS PROPOSED RULES

The Massachusetts Securities Division recently asked for comments regarding proposed amendments to certain regulations and the Institute submitted comments on three specific proposals. The Institute expressed concern that the proposed agent registration requirement would include individuals that are generally not required to register as agents of broker-dealers in the states, specifically, investment advisers who are affiliated with broker-dealers. The Institute recommended that investment advisers who render advice concerning the purchase and sale of securities to particular customers but who do not represent a broker-dealer in effecting or attempting to effect purchases or sales of securities be explicitly exempt from the agent registration requirement. The Institute also expressed concern that the proposed amendments to the definition of "non-issuer" and the manual exemption would preclude the use of the manual exemption for resales of units of unit investment trusts. The Institute recommended that Massachusetts provide an exemption for resales of units of units trusts that were initially registered in Massachusetts. The Institute expressed opposition to the proposed requirement that a copy of all sales literature be filed with the Director and recommended that the filing requirement be modified to provide that sales literature that is filed with the National Association of Securities Dealers or the Securities and Exchange Commission need not be filed in Massachusetts. Attached is a copy of the Institute's comment letter. We will keep you informed of further developments. Patricia Louie
Assistant General Counsel Attachment

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