

COMMENT LETTER

February 17, 2021

ICI Submits Comment Letter to FTC on Aggregation Rule (pdf)

..... A. B. C. D. 1. 2. 3. E. 1. 2. 3. F. A. B. C. Investment Company Institute Submission to FTC re: Proposed HSR Rule Changes Project No. P110014 (February 1, 2021) EXHIBIT A 709 Investment Company Institute 1775 K STREET N. W., WASHINGTON. D C 20006 [2 02) 29 3 7700 November 21, 1975 Honorable Philip A. Hart, Chairman Subcommittee on Antitrust & Monopoly Senate Committee on the Judiciary 127 C Street, N. E. Washington, D. C. 20515 Re: Title V of S. 1284 Dear Senator Hart: On Friday, October 31, 1975, I met with Bernard Nash, Esq., Assistant Counsel to the Subcommittee to discuss various amendments to Title V of S. 1284. Attached hereto are copies of: (1) our proposed amendments; (2) a summary of these proposed amendments; and (3) our suggested language for the Committee report. We believe that if Title V is amended as suggested and if the Committee report sets forth the suggested language, Title V would not adversely affect the investment programs of mutual funds in the capital markets. We greatly appreciate the consideration you and your staff have given this matter. Please do not hesitate to contact us if we may be of further assistance. Very truly yours, Matthew P. Fink Associate Counsel Attachments Investment Company Institute Submission to FTC re: Proposed HSR Rule Changes Project No. P110014 (February 1, 2021) EXHIBIT B 703 HILL, CHRISTOPHER AND PHILLIPS, P. C. 2000 L STREET, N. W WASHINGTON, O. C.20036 G-I ER CHILLER COUNSEL. JUSEE a. EICUTITELEPHONE 5CC sa-7000 LEE -NSES DEC 2 197F WRITER'S CIRECT DIAL NUMBER (202) 452-7040 BCH W E.C .C _UHU ,J LAW .ca. .November 25, 1975 The Honorable Philip A. Hart Chairman Subcommittee on Antitrust and Monopoly Senate Committee on the Judiciary United States Senate Washington, D. C. 20515 Re: S.1284 Dear Senator Hart: We are writing on behalf of our client, the Association of Closed-End Investment Companies ("Association"), with respect to the provisions of Title V of S.1284. The Association is a group of 23 investment companies with assets of over \$3 billion. All of the companies are registered with the Securities and Exchange Commission under the Investment Company Act of 1940. A list of the Apsoci- ation membership is attached hereto. Closed-end investment companies, like open-end invest- ment companies (commonly called "mutual funds"), provide investors with an opportunity to invest in the securities markets through professional management of diversified portfolios. Closed-end companies, however, unlike mutual funds, neither continuously offer nor redeem their shares. Instead, their securities are bought and sold in the various trading markets. Closed-end investment companies, like other insti- tutional investors, also buy and sell securities in the nation's trading markets on a regular basis. Indeed, such portfolio trading operations lie at the heart of the investment company business, and any interference with these activities could seriously affect the public shareholders of these companies. For this reason, the 704 HILL,CHRISTOPHER AND PHILLIPS, PC. To: The Honorable Philip A. Hart November 25, 1975

Page 2 Association has had discussions with Bernard Nash, Esquire, Assistant Counsel to your Subcommittee on Antitrust and Monopoly, concerning the need for certain amendments to Title V of S.1284. The Association believes amendments are necessary to avoid a drastic and entirely unintended effect of the bill on the routine portfolio trading operations of closed-end investment companies and other institutional investors. Since such investors generally do not invest for the purposes of control, their portfolio transactions do not raise the underlying antitrust problems to which Title V is directed. Nevertheless, Title V of S.1284, as reported by the Subcommittee to the full Committee, does not contain a statutory exemption for those transactions and requires a number of other clarifying changes. We enclose herewith a draft of proposed amendments which would effect the necessary changes to Title V for these limited purposes. The proposed amendments are similar to those discussed with Mr. Nash, except that we have added to the proposed definition of "voting securities" the phrase: "or, with respect to unincorporated issuers, persons exercising similar functions" We also enclose, for your consideration, a discussion of a problem relating to the determination of ten percent ownership which we believe should be mentioned in the Committee Report as requiring resolution by administrative rule-making. We believe that if Title V of S.1284 were amended as proposed, and the suggested administrative action were taken by the Federal Trade Commission, the bill would not adversely affect the portfolio operations of closed-end investment companies and other institutional investors similarly situated. In that event, the Association of Closed-End Investment Companies would have no objection to Title V of the bill. The Association appreciates the thoughtful consideration given by Mr. Nash to the problems raised by Title V 705 HILL, CHRISTOPHER AND PHILLIPS. P.C. TO: The Honorable Philip A. Hart November 25, 1975 Page 3 of S.1284. If you or your staff have any questions concerning this matter please do not hesitate to call upon us. Sincerely yours, Richard M. Phillips Enclosures 706 64 1 material as the Federal Trade Commission shall by general regulation prescribe, after consultation with the Assistant Attorney General, and after notice and submission of views, pursuant to section 553 of title 5, United States Code. (4) (A) The Federal Trade Commission, after consultation with the Assistant Attorney General, is authorized and directed to define the terms used in this section, prescribe the content and form of reports, by general regulation except classes of persons and transactions from the notification requirements thereunder, and to promulgate rules of general or special applicability as may be necessary or proper to the administration of this section, insofar as such action is not inconsistent with the purposes of this section, after notice and submission of views, pursuant to section 553 of title 5, United States Code. following (B) The regulations--accepting classes of persons--nd are exempt from the notification requirements of transactions/shl-include,--b-ee-d-nt-be-limd-to-he this section: following-esceptionu-- (A) goods or realty transferred in the ordinary course of business; (B) bonds, mortgages, deeds of trust, or other which are not voting securities; (C) obligations/with4avetin4a right (D) interests in a corporation at least 50 per centum of the stock of which is already owned by the acquiring person or a wholly-owned subsidiary thereof; 707 65 1 (D) transfers to or from a Federal agency or a State or political subdivision thereof; 3 (E) transactions exempted from collateral attack under section 7 of this Act if approved by a Federal administrative or regulatory agency: Provided, That duplicate originals of the information and documentary material filed with such agency shall be contemporaneously filed with the Federal Trade Commission and the Assistant Attorney General; 10 (F) transactions which require agency approval under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), as amended, or section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842), as amended; 15 (G) acquisitions, solely for the purpose of investing in securities, if at the time of such acquisition the person, of stock-who.-the-

stock acquired or held do not securities outstanding voting securities of the issuer; 17 exceed
 10 per centum of the holding rights; voting securities if, at the time of such acquisition, 18
 "(H) acquisitions of the securities of the issuer; 19 does/ not increase,
 directly or indirectly, the acquiring outstanding voting securities of the issuer; 20 person's-
 or persons' share of the total. 21 "(1) acquisitions, solely for the purpose of invest-
 ing securities pursuant to a plan of reorganization or dissolution, of assets, other
 than voting, such as other voting securities 23 share capital, by any bank, banking
 association, trust investment company 24 company, or insurance company, in the ordinary
 course 25 of its business. "(C) For the purpose of subsection (b)(4)(B) of this section 'voting
 security' means any security presently entitling the owner or holder thereof to vote for the
 election of directors of a company. W 44 - IL4v f "A%.prMrftd #'CrerS, fLV4ceiset -
 "ecC.Wc,S* 708 AMERICAN LIFE INSURANCE ASSOCIATION 1730 PENNSYLVANIA AVENUE,
 N.W. WASHINGTON, D.C. 20006 WILLIAM B. HARMAN, JR. (202) 872- 8750 ex1cTive Vice
 President NT December 3, 1975 DC51975 The Honorable Philip A. Hart Chairman,
 Subcommittee on Antitrust and Monopoly Committee on the Judiciary United States Senate
 Washington DC 20510 Dear Mr. Chairman: In accordance with your request, we have
 reviewed the exemptive amendments to Title V of S. 1284 included in the bill as reported
 on July 28 by the Antitrust and Monopoly Subcommittee. We also have reviewed the
 additional exemptive provisions proposed by the Investment Company Institute on behalf of
 the mutual fund industry and by an association of closed-end funds. Our Association
 represents 379 companies, with assets of \$254 billion, including at year-end 1974 \$96. 6
 billion in corporate debt securities and \$21. 9 billion in corporate equity securities. On
 behalf of our membership, we very much appreciate the consideration and cooperation
 afforded by the Subcommittee and its staff in evaluating our concerns about the impact of
 Title V on capital formation by industry in general and, specifically, on our investment
 function. We are satisfied that inclusion in Title V of the exemptions reported by the
 Subcommittee coupled with those proposed by the mutual fund industry will assure that
 Title V does not adversely affect the capital markets or the ability of the life insurance
 industry to continue its investment function in the capital markets. Again, our appreciation
 for the Subcommittee's effort in understanding our concerns. Sincerely yours, William B.
 Harman, Jr. WBH:ec Investment Company Institute Submission to FTC re: Proposed HSR
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