



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

(202) 755-4846



FOR RELEASE: 2 p.m., Thursday, June 15.

78-16

COMMISSION ADOPTS INSTITUTIONAL DISCLOSURE RULE

The Securities and Exchange Commission today announced the adoption of a rule and form under Section 13(f) of the Securities Exchange Act of 1934 which implements its institutional disclosure program. Section 13(f) was enacted in 1975 by Congress in response to the Commission's Institutional Investor Study which recommended following, on a continuing basis, the impact of institutional investors on the market place and establishment of a central reporting system for relevant information.

The section empowers the Commission to require reports of the holdings of institutional investment managers who exercise investment discretion over certain equity securities which aggregate \$100,000,000, a threshold which the Commission can reduce to \$10,000,000. Under the statute the reports can be as frequent as quarterly, but in no event less frequent than annually. The section also gives the Commission authority to require the reporting of additional information such as transactional data, account-by-account breakdowns, and brokers and markets used.

Under the rule, as adopted, any institution which exercises investment discretion over exchange-traded or NASDAQ-quoted equity securities aggregating \$100,000,000 at the end of any month of a year must file a report on Form 13F within 45 days after the end of such calendar year. The Form calls for an identification of the class of stock, shares and market value, and the nature of the investment discretion and voting power possessed by the institutions. Institutions will be able to rely on lists to be published by the Commission which will indicate the securities within the ambit of the reporting requirement.

The Commission decided to adopt a simpler program than it originally proposed in March 1977 in order, among other reasons, to establish an accurate and effectively operating system. In terms of expansion of the program, some commentators have expressed

more

2.

interest in making the reports quarterly, rather than annual. Since the original proposal was based on a different and more complex form, the Commission has determined that interested persons should have the opportunity to comment on the usefulness and cost of quarterly reporting utilizing the more simplified form adopted today. In this respect, all interested persons have been invited to submit their written views on the issue of quarterly reporting to the Commission by August 31, 1978.

#