



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FOR IMMEDIATE RELEASE

83-4

COMMISSION TO CONSIDER PRIVATE SECTOR ASSISTANCE IN INVESTMENT COMPANY EXAMINATIONS

The Commission, in its continuing study of issues relating to self regulation of investment companies, will consider next week whether to publish an advance concept release to elicit public comments as to whether private entities should assist in the routine examination of investment companies.

The release will be considered at an open meeting scheduled to begin at 10:00 a.m. on Thursday, February 10, in the Commission Meeting Room, Room 1C30, at Commission headquarters, 450 Fifth Street, N.W., Washington, D.C. Staff officials will participate in a briefing immediately following the Commission meeting to explain whatever action the Commission takes.

The investment company industry has experienced dramatic growth in recent years, both in net assets and in the number of investment companies registered with the Commission. During the fiscal years 1981 and 1982 the number of registered investment companies increased by 368 to a total of 1830 which represents an annual growth rate of about 12 percent. At the same time the Commission has been operating under budgetary constraints which prevent the allocation of additional staff resources to the investment company examination program.

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To maintain the effectiveness of the investment company inspection program in the face of these staff constraints, the Commission is considering various alternatives including a system using private entities, such as self-regulatory organizations, to perform certain functions related to the routine examination of investment companies.

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