



Information Update

MARCH 2021 | IM-INFO-2021-01

DIVISION OF INVESTMENT MANAGEMENT STAFF STATEMENT REGARDING WITHDRAWAL AND MODIFICATION OF STAFF LETTERS RELATED TO RULEMAKING ON USE OF DERIVATIVES AND CERTAIN OTHER TRANSACTIONS BY REGISTERED INVESTMENT COMPANIES AND BUSINESS DEVELOPMENT COMPANIES

On November 2, 2020, the Commission adopted rule 18f-4 under the Investment Company Act of 1940, which will permit registered investment companies and business development companies (“funds”) to enter into derivatives and certain other transactions notwithstanding the restrictions under section 18 and section 61 of the Investment Company Act, provided that these funds comply with the conditions of the rule.¹ Consistent with the adopted rule and the discussion in the related release, the staff is withdrawing staff statements relating to section 18 and section 12(a) of the Investment Company Act included in staff letters and a staff issue of interest as noted in Appendix A herein, effective as of August 19, 2022.

This Staff Statement represents the views of the staff of the Division of Investment Management. It is not a rule, regulation, or statement of the Securities and Exchange Commission. The Commission has neither approved nor disapproved its content. This Staff Statement, like all staff guidance, has no legal force or effect: it does not alter or amend applicable law, and it creates no new or additional obligations for any person.

Endnote

- 1 See [Use of Derivatives by Registered Investment Companies and Business Development Companies, Investment Company Act Release No. 34084 \(Nov. 2, 2020\)](#).

IM Information Updates are recurring notices regarding the activities of the Division. The Division generally issues IM Information Updates to alert the public—including investors and industry participants—to key developments, such as updates to Frequently Asked Questions, technical improvements to SEC forms, and certain other staff actions. IM Information Updates may also explain administrative and procedural matters, such as how to most effectively communicate with the staff.

If you have any questions about this IM Information Update, please contact:

SEC Division of Investment Management
Chief Counsel's Office
Phone: 202.551.6825



US Securities and Exchange Commission

Division of Investment Management

Appendix A

| ITEM DESCRIPTION | DATE ISSUED | DATE MODIFIED OR WITHDRAWN | NOTES | TOPIC(S) |
|--|---------------|----------------------------|---|-------------------|
| Staff Letters including Statements Relating to Section 18 of the Investment Company Act | | | | |
| Merrill Lynch Asset Management, L.P., SEC Staff Letter | July 2, 1996 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Robertson Stephens Investment Trust, SEC Staff Letter | Aug. 24, 1995 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Sanford C. Bernstein Fund, Inc., SEC Staff Letter | June 25, 1990 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Hutton Options Trading LP, SEC Staff Letter | Feb. 2, 1989 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Dreyfus Strategic Investing and Dreyfus Strategic Income, SEC Staff Letter | June 22, 1987 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| SAFECO Municipal Bond Fund, Inc., SEC Staff Letter | Nov. 26, 1982 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Staff Issue of Interest including Statements Relating to Section 18 of the Investment Company Act | | | | |
| Funds Using Tender Option Bond (TOB) Financings, Investment Management Staff Issue of Interest | Mar. 29, 2012 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Staff Letters including Statements Relating to Section 12(a) and Section 18 of the Investment Company Act | | | | |
| DataConcepts Fund, Inc., SEC Staff Letter | Aug. 25, 1980 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Emerald Mgt. Co., SEC Staff Letter | Jan. 21, 1978 | August 19, 2022 | Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |

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| Staff Letters including Statements Relating to Section 12(a), Section 18, and Section 17(f) of the Investment Company Act | | | | |
| Claremont Capital Corp. , SEC Staff Letter | Sept. 16, 1979 | August 19, 2022 | Modified. Statements relating to section 12 and statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Staff Letters including Statements Relating to Section 18 and Section 17(f) of the Investment Company Act | | | | |
| Investment Company Institute and SIFMA AMG , SEC Staff Letter | May 27, 2020 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Franklin Templeton Investments , SEC Staff Letter | June 19, 2009 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Prudential-Bache IncomeVertible Plus Fund, Inc. , SEC Staff Letter | Nov. 20, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| State Street Income Fund, State Street Balanced Fund , SEC Staff Letter | Oct. 21, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| New England Life Government Securities Trust , SEC Staff Letter | Sept. 26, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Thomson McKinnon Investment Trust , SEC Staff Letter | Sept. 23, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |

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| Putnam Option Income Trust II, SEC Staff Letter | Sept. 23, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| GMO Core Trust, SEC Staff Letter | Aug. 19, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Bartlett Capital Trust, SEC Staff Letter | Aug. 19, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Continental Option Income Plus Fund, SEC Staff Letter | Aug. 12, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Colonial High Yield Securities Trust, Colonial Enhanced Mortgage Trust, SEC Staff Letter | July 25, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Putnam High Income Government Trust, SEC Staff Letter | June 3, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Bartlett Management Trust, SEC Staff Letter | May 17, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Drexel Series Trust – Government Securities Series, SEC Staff Letter | Apr. 25, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |

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| Koenig Tax-Advantaged Liquidity Fund, Inc., SEC Staff Letter | Mar. 27, 1985 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Colonial Tax-Exempt High Yield Trust, SEC Staff Letter | Dec. 31, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Monitrend Fund, SEC Staff Letter | Nov. 14, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Pilot Fund, Inc., SEC Staff Letter | Sept. 14, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Colonial Government Securities Plus Trust, SEC Staff Letter | June 15, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Z-Seven Fund, Inc., SEC Staff Letter | May 21, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Pension Hedge Fund Inc., SEC Staff Letter | Jan. 20, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| SteinRoe Bond Fund, Inc., SEC Staff Letter | Jan. 17, 1984 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |

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| IDS Bond Fund, Inc. , SEC Staff Letter | Apr. 11, 1983 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Montgomery Street Income Securities, Inc., SEC Staff Letter | Apr. 11, 1983 | August 19, 2022 | Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| Staff Letters including Statements Relating to Section 18 of the Investment Company Act as it relates to fund (i) use of options and (ii) engagement in securities lending activities | | | | |
| SIFE Trust Fund , SEC Staff Letter | Feb. 17, 1982 | August 19, 2022 | Modified. Statements relating to section 18 and the use of written options are withdrawn. In connection with a securities loan in which the lending fund invests cash collateral in instruments other than cash and cash equivalents, only statements relating to section 18(f) and statements relating to the limitation on the amount of securities on loan are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |

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| Staff Letters including Statements Relating to Section 18 of the Investment Company Act as it relates to fund engagement in securities lending activities | | | | |
| Salomon Brothers , SEC Staff Letter | May 4, 1975 | August 19, 2022 | Modified. In connection with a securities loan in which the lending fund invests cash collateral in instruments other than cash and cash equivalents, only statements relating to section 18(f) and statements relating to the limitation on the amount of securities on loan are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |
| The Brinson Funds, et al. , SEC Staff Letter | Nov. 25, 1997 | August 19, 2022 | Modified. In connection with a securities loan in which the lending fund invests cash collateral in instruments other than cash and cash equivalents, only statements relating to section 18(f) and statements relating to the limitation on the amount of securities on loan are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) . | Senior Securities |