

process and to enable funds to develop the capability to transfer the information required in the Schedules from existing computer files. The Commission asks that funds that wish to participate in the test filing process so indicate in their comment letters.³² The Commission anticipates that temporary rules would be adopted during this period. The Commission will consider comments for purposes of adopting both temporary and permanent rules. For other filers, the Commission plans to make the proposed amendments effective sixty days following the completion of the test filing period. All money funds would be required to file Money Market Fund Portfolio Schedules under rule 30b3-1 beginning with the first complete calendar quarter following conclusion of the sixty day period.

V. General Request for Comments

All interested persons who wish to submit written comments on the proposed rule and form discussed in this release, or to comment on related matters that might have a significant effect upon the proposals discussed in this release, are requested to do so. Commenters suggesting alternative approaches are encouraged to submit proposed text.

VI. Summary of Initial Regulatory Flexibility Analysis

The Commission has prepared an Initial Regulatory Flexibility Analysis in accordance with 5 U.S.C. 603 regarding the proposed amendments. The Analysis notes that the proposed amendments are intended to elicit from money funds information that would improve the Commission's ability to monitor the funds' compliance with the federal securities laws. Pertinent information reflected in the Cost Benefit Analysis section of this Release is also reflected in the analysis. A copy of the Initial Regulatory Flexibility Analysis may be obtained by contacting Martha H. Platt, Mail Stop 10-6, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

VII. Statutory Authority

The Commission is proposing rule 30b3-1 pursuant to sections 13 [15 U.S.C. 78m], 15(d) [15 U.S.C. 78o(d)] and 23(a) [15 U.S.C. 78w(a)] of the Securities Exchange Act of 1934 and sections 8 [15 U.S.C. 80a-8], 30 [15 U.S.C. 80a-29], 31 [15 U.S.C. 80a-30], 38 [15 U.S.C. 80a-37], and 45 [15 U.S.C. 80a-44] of the 1940 Act. The authority

citations for the proposals precede the text of the rule and appendix.

Text of Proposed Rule and Form Amendments

List of Subjects in 17 CFR Parts 232, 240 and 270

Investment companies, Reporting and recordkeeping requirements, Securities.

For the reasons set out in the preamble, the Commission is proposing to amend Chapter II, Title 17 of the Code of Federal Regulations as follows:

PART 232—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

1. The authority citation for Part 232 continues to read as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a), 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll(d), 79t(a), 80a-8, 80a-29, 80a-30 and 80a-37.

2. Section 232.101 is amended by removing the word "and" at the end of paragraph (a)(1)(iv), removing the period at the end of paragraph (a)(1)(v) and in its place adding "; and" and adding paragraph (a)(1)(vi) to read as follows:

§ 232.101 Mandated electronic submissions and exceptions.

(a) * * *

(1) * * *

(vi) Quarterly reports filed by money market funds pursuant to rule 30b3-1 (§ 270.30b3-1 of this chapter).

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PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

3. The authority citation for Part 240 continues to read in part as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78i, 78j, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78w, 78x, 78ll(d), 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

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§ 240.12b-25 [Amended]

4. By amending § 240.12b-25 by revising the section heading to read as follows:

§ 240.12b-25 Notification of inability to timely file all or any required portion of a Form 10-K, 10-KSB, 20-F, 11-K, N-SAR, 10-Q, 10-QSB or report filed pursuant to rule 30b3-1.

5. By amending § 240.12b-25, paragraph (a), by adding the following phrase after the first "thereunder":

" , or all or any required portion of a quarterly report filed by a money market

fund pursuant to rule 30b3-1 under the Investment Company Act of 1940 (17 CFR 270.30b3-1);"

6. By amending § 240.12b-25, paragraph (b)(2)(ii), by adding the following phrase after "10-QSB,":

"or report filed pursuant to rule 30b3-1 under the Investment Company Act of 1940 (17 CFR 270.30b3-1)."

* * * * *

7. By amending § 240.12b-25, paragraph (g), by removing the period at the end of the paragraph and adding in its place "or, for a quarterly report filed by a money market fund, comply with Rule 30b3-1(c)(3) under the Investment Company Act (17 CFR 270.30b3-1(c)(3))."

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

8. The authority citation for Part 249 continues to read in part as follows:

Authority: 15 U.S.C. 78a, *et seq.*, unless otherwise noted;

* * * * *

§ 249.322 [Amended]

9. By amending § 249.322, paragraph (a), by adding the following phrase after "section 13 or 15(d) of the Act":

"or quarterly report filed by a money market fund pursuant to rule 30b3-1 under the Investment Company Act of 1940,".

* * * * *

Note: Form 12b-25 does not and the amendments will not appear in the Code of Federal Regulations.

10. Form 12b-25 (referenced in § 249.322) is amended by adding the following after "[] Form N-SAR" to read: "[] Money Market Fund Rule 30b3-1 Filing".

11. Form 12b-25 (referenced in § 249.322) is amended by adding the following after "Form 10-Q" in paragraph (b) of Part II, to read: "or filing made by a money market fund pursuant to rule 30b3-1".

12. Form 12b-25 (referenced in § 249.322) is amended by adding the following after "Form 10-Q," in Part III: "or filing made by a money market fund pursuant to rule 30b3-1".

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

13. The authority citation for Part 270 continues to read in part as follows:

Authority: 15 U.S.C. 80a-1 *et seq.*, unless otherwise noted.

14. By adding § 270.30b3-1 to read as follows:

³² Information submitted in test filings by volunteering funds during the test period would be treated by the Commission as non-public.