

**PART 39—AIRWORTHINESS  
DIRECTIVES**

1. The authority citation for part 39 continues to read as follows:

**Authority:** 49 USC 106(g), 40113, 44701.

**§ 39.13 [Amended]**

2. Section 39.13 is amended by removing Amendment 39–3045 (42 FR 51565, September 29, 1977) and 39–3064 (42 FR 56600, October 27, 1977), and by adding a new airworthiness directive (AD), Amendment 39–10130, to read as follows:

**97–19–10 Erickson Air-Crane Co.:**

Amendment 39–10130. Docket No. 96–SW–04–AD. Supersedes AD 77–20–01, Amendment 39–3045 and Amendment 39–3064.

**Applicability:** Sikorsky Aircraft-manufactured Model S–64E helicopters, with main gearbox assembly second stage lower planetary plate (plate), part number (P/N) 6435–20229–102, reidentified as P/N 6435–20229–102–TS–107 after rework, or P/N 6435–20229–104, installed, certificated in any category.

**Note 1:** This AD applies to each helicopter identified in the preceding applicability provision, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For helicopters that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must use the authority provided in paragraph (d) to request approval from the FAA. This approval may address either no action, if the current configuration eliminates the unsafe condition, or different actions necessary to address the unsafe condition described in this AD. Such a request should include an assessment of the effect of the changed configuration on the unsafe condition addressed by this AD. In no case does the presence of any modification, alteration, or repair remove any helicopter from the applicability of this AD.

**Compliance:** Required as indicated, unless accomplished previously.

To prevent failure of the plate due to fatigue cracking, which could lead to failure of the main gearbox and subsequent loss of control of the helicopter, accomplish the following:

(a) For plate, part number (P/N) 6435–20229–102 and P/N 6435–20229–102–TS–107, at 1,300 hours total time-in-service (TIS), inspect and rework or replace the plate, as appropriate, in accordance with the Accomplishment Instructions, paragraph 2A., steps (1), and (3) through (11), of Erickson Air-Crane Co. Service Bulletin No. 64B35–7C, dated November 8, 1995.

(b) For any plate, P/N 6435–20229–102, that has been reworked and identified with “TS–107”, and for plate, P/N 6435–20229–104, at 1,500 hours TIS and thereafter at intervals not to exceed 70 hours TIS, inspect the plate in accordance with the Accomplishment Instructions, paragraph 2B., step (1), of Erickson Air-Crane Co. Service Bulletin No. 64B35–7C, dated November 8,

1995. If a crack is found, replace the main gearbox assembly with an airworthy assembly.

(c) This AD revises the airworthiness limitation section of the maintenance manual by establishing a retirement life of 2,600 hours TIS for the main gearbox assembly second stage planetary plate, P/N 6435–20229–102, reidentified as P/N 6435–20229–102–TS–107 after rework, and P/N 6435–20229–104.

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Rotorcraft Certification Office, Rotorcraft Directorate, FAA. Operators shall submit their requests through an FAA Principal Maintenance Inspector, who may concur or comment and then send it to the Manager, Rotorcraft Certification Office.

**Note 2:** Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Rotorcraft Certification Office.

(e) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the helicopter to a location where the requirements of this AD can be accomplished.

(f) The inspections and rework or replacement, as necessary, shall be done in accordance with Erickson Air-Crane Co. Service Bulletin No. 64B35–7C, dated November 8, 1995. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Erickson Air-Crane Co., 3100 Willow Springs Rd., P.O. Box 3247, Central Point, OR 97502. Copies may be inspected at the FAA, Office of the Assistant Chief Counsel, 2601 Meacham Blvd., Room 663, Fort Worth, Texas; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(g) This amendment becomes effective on October 17, 1997.

Issued in Fort Worth, Texas, on September 5, 1997.

**Larry M. Kelly,**

*Acting Manager, Rotorcraft Directorate,  
Aircraft Certification Service.*

[FR Doc. 97–24194 Filed 9–11–97; 8:45 am]

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**SECURITIES AND EXCHANGE  
COMMISSION**

**17 CFR Parts 202, 230, 232, 239, 270,  
and 274**

[Release Nos. 33–7448, IC–22815; File No. S7–19–97]

**RIN 3235–AG73**

**Registration Under the Securities Act  
of 1933 of Certain Investment  
Company Securities**

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Final rules.

**SUMMARY:** The Commission is amending the rule and the form under the Investment Company Act of 1940 that prescribe the method by which certain investment companies calculate and pay registration fees under the Securities Act of 1933. The amendments implement the provisions of the National Securities Markets Improvement Act of 1996 that simplify the method of determining the amount of these fees.

**EFFECTIVE DATE:** October 11, 1997.

**FOR FURTHER INFORMATION CONTACT:**

Robin S. Gross, Staff Attorney, Office of Regulatory Policy at (202) 942–0690, or Carolyn A. Miller, Senior Financial Analyst, Office of Financial Analysis at (202) 942–0513, Division of Investment Management, Mail Stop 10–2, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Requests for formal interpretive advice should be directed to the Office of Chief Counsel at (202) 942–0659, Division of Investment Management, Securities and Exchange Commission, 450 Fifth Street, NW., Mail Stop 10–6, Washington, DC 20549.

**SUPPLEMENTARY INFORMATION:** The Commission today is amending rule 24f–2 [17 CFR 270.24f–2] and Form 24F–2 [17 CFR 274.24] under the Investment Company Act of 1940 [15 U.S.C. 80a] (the “Investment Company Act”). In addition, the Commission is amending rule 485 [17 CFR 230.485] under the Securities Act of 1933 [15 U.S.C. 77a–aa] (the “Securities Act”); Form N–1A [17 CFR 274.11A and 239.15A], Form N–3 [17 CFR 274.11b and 239.17a], and Form N–4 [17 CFR 274.11c and 239.17b], the registration forms used by certain types of investment companies to register under the Investment Company Act and to register their securities under the Securities Act; Form S–6 [17 CFR 239.16], the form used by unit investment trusts to register their securities under the Securities Act;

Form N-14 [17 CFR 239.23], the form used by investment companies to register under the Securities Act securities issued in business combination transactions; rule 24e-1 under the Investment Company Act [17 CFR 270.24e-1]; rule 13 of Regulation S-T [17 CFR 232.13]; and rule 3a of the Commission's Informal and Other Procedures [17 CFR 202.3a]. The Commission is also rescinding rules 24e-2 and 24f-1 under the Investment Company Act [17 CFR 270.24e-2 and 270.24f-1].

## I. Background

The National Securities Markets Improvement Act of 1996 ("Improvement Act")<sup>1</sup> amended sections 24(e) and (f) of the Investment Company Act to create a new, simpler system for the registration of securities under the Securities Act that are issued by open-end management investment companies, unit investment trusts ("UITs") and face-amount certificate companies (collectively, "funds").<sup>2</sup> Amended section 24(f) of the Investment Company Act, when effective, will provide that a fund will be deemed to have registered an indefinite amount of securities upon the effective date of its registration statement under the Securities Act.<sup>3</sup> The fund then will pay a registration fee within 90 days after the end of each fiscal year based upon the aggregate sale price of fund securities sold during that fiscal year, reduced by the aggregate redemption price of the securities that were redeemed during that year (and during any earlier fiscal year ending on or after October 11, 1995), but that were not used previously by the fund to reduce its registration fees. A fund that makes its fee payment late will be required to pay interest on the unpaid amount at a rate set by the Secretary of the Treasury.<sup>4</sup> Amended section 24(f) will provide the exclusive means for registering fund securities under the Securities Act.<sup>5</sup>

On July 14, 1997, the Commission issued a release proposing to amend or rescind several rules and forms under the Investment Company Act and the Securities Act to implement the Improvement Act's amendments to section 24 ("Proposing Release").<sup>6</sup> The proposals included revisions to Form 24F-2, the Form that is required to accompany fund registration fees. The Commission received seven comment letters, which generally supported the proposed amendments. The Commission is adopting the amendments substantially as proposed.

## II. Discussion

### A. Amendments to Rule 24F-2

The Commission proposed amending rule 24F-2 to delete provisions made unnecessary as a result of the Improvement Act, to eliminate the requirement that Form 24F-2 be accompanied by an opinion of counsel, and to require the filing of Form 24F-2 within 90 days as required by amended section 24(f). Commenters supported these amendments, which the Commission is adopting as proposed.

The Commission also proposed certain technical amendments to rule 24F-2 concerning fee payments when a fund ceases operations as a result of a liquidation, merger, or sale of all or substantially all of the assets (collectively, "merger") of the fund. The Commission is adopting these amendments, modified slightly from the proposal to reflect technical suggestions by commenters.<sup>7</sup>

Finally, the Commission is rescinding, as proposed, rule 24e-2 and rule 24f-1, which are no longer necessary as a result of the amendment of section 24(f).

### B. Amendments to Form 24F-2

The Commission proposed amendments to Form 24F-2 that would

section 6(b) of the Securities Act at the time of the offering.

<sup>6</sup>Registration under the Securities Act of 1933 of Certain Investment Company Securities, Investment Company Act Release No. 22747 (July 14, 1997) [62 FR 38495 (July 18, 1997)].

<sup>7</sup>The proposed amendments included a provision clarifying that the special rule provisions for reorganizations are not available in a transaction designed to result in the merger of two operating funds. No commenter addressed this proposed clarification, but one commenter urged that the rule treat all mergers as it does reorganizations and permit any unused redemption credits to be assumed by the successor fund. The Commission's proposal entailed merely clarifying the rule's provisions relating to mergers; thus, the commenter's suggestion is beyond the scope of the rule proposal. The Commission believes this suggestion should be addressed only after its consequences can be fully determined, and is therefore adopting the merger provisions as proposed.

substantially shorten and simplify the form. The Commission is adopting these amendments, modified to reflect comments and to add additional instructions to clarify the operation of rule 24f-2, as amended.

### 1. Prepaid Shares

Since 1977, rule 24f-2 has permitted a fund to offset its aggregate sales with aggregate redemptions in calculating its registration fee.<sup>8</sup> If redemptions exceed sales in a fiscal year, under rule 24e-2 a fund may, under existing rules, use those "redemption credits" to offset registration fees payable for securities registered during the next fiscal year in a post-effective amendment to the fund's registration statement. Shares registered pursuant to rule 24e-2 are, in effect, "pre-paid."

This system has been substantially revised by the Improvement Act. After the effective date of the adopted rule amendments, unused redemption credits from one fiscal year will be available in succeeding fiscal years, and there will be no need to register shares pursuant to a post-effective amendment.<sup>9</sup> Before the effective date of these rules, however, some funds will have accumulated a "bank" of pre-paid shares on which a new registration fee need not be paid under section 24(f), as amended. Form 24F-2, currently and as amended, requires that only shares registered pursuant to section 24(f) be included in determining the aggregate shares sold during the year.<sup>10</sup> At the suggestion of three commenters, the Commission is adding a new item to the Form that will provide funds space on the Form to reflect information on pre-paid shares, which should assist their personnel in tracking that information.<sup>11</sup>

<sup>8</sup> See Proposing Release, *supra* note 6 at nn.8-10 and accompanying text.

<sup>9</sup> The Improvement Act amended section 24(f) to permit a fund to reduce its registration fee by the aggregate price of securities redeemed during the fiscal year, and any prior fiscal year ending on or after October 11, 1995 that were not used previously to reduce fees payable to the Commission. In this way, amended section 24(f) will permit funds to net redemptions from previous fiscal years without having to "preserve" those redemption credits through filing periodic post-effective amendments pursuant to rule 24e-2, which, as noted above, is being rescinded.

<sup>10</sup> Shares registered pursuant to rule 24e-2 may be excluded from the aggregate shares sold. See Item 5(i). Funds may therefore sell pre-paid shares without being required to pay additional registration fees.

<sup>11</sup> Item 6 requires the fund to include the information regarding the number of pre-paid shares, if any, that were used to reduce the aggregate sales price of fund shares sold during the fiscal year, and the balance of any pre-paid shares that may remain and are eligible for use in future years. Commenters and others have inquired if there is a specific method they should use when

Continued

<sup>1</sup> Pub. L. 104-290 (1996).

<sup>2</sup> Section 203 of the Improvement Act (codified at 15 U.S.C. 80a-24 (e) and (f)).

<sup>3</sup> Section 24(f)(1), as amended. Amended section 24(f) becomes effective on the earlier of October 11, 1997 or the effective date of Commission rulemaking implementing amended section 24(f). See 15 U.S.C. 80a-24 note. For purposes of convenience, section 24, as amended when section 203 of the Improvement Act becomes effective, is referred to in this Release as "amended section 24" or "section 24, as amended."

<sup>4</sup> Section 24(f)(3), as amended.

<sup>5</sup> Section 203 of the Improvement Act rescinded the provisions of sections 24(e) and (f) that allow for post-effective amendment and post-sale registration of securities. Closed-end management investment companies will continue to register their shares and pay registration fees pursuant to

## 2. Mergers

The Commission is adding two instructions to Form 24F-2 to clarify the operation of the merger provisions of rule 24f-2. The first clarifies that the securities of a fund that are converted or exchanged (the "Predecessor Fund") to those of another (the "Successor Fund") must be treated as redemptions on the Predecessor Fund's final Form 24F-2.<sup>12</sup> The second clarifies that, in a reorganization in which the Predecessor Fund is not deemed to cease operations for purposes of rule 24f-2, the Successor Fund assumes the sales and the redemption credits of the Predecessor Fund, which need not file a final Form 24F-2.<sup>13</sup>

## 3. Shares Sold to Unit Investment Trusts

Form 24F-2 has included since its adoption a special instruction that permits a fund to exclude from its aggregate sales, the sales of securities sold to an unmanaged separate account organized as a UIT that itself issued securities on which registration fees have been paid.<sup>14</sup> This exclusion was created to prevent "double payment" of registration fees for the same aggregate proceeds from investors in variable insurance products.<sup>15</sup> Two commenters argued that the logic of this exclusion supported extending it to funds selling shares to UITs issuing periodic payment plans. The Commission agrees and is revising the instruction to Form 24F-2 to apply to shares sold to any UIT.<sup>16</sup>

## C. Conforming Amendments

The Commission is adopting, as proposed, amendments to several forms and rules to reflect the revisions to

converting a number of pre-paid shares into a dollar amount. The Commission believes that a fund may use any reasonable method that is applied consistently when converting a number of pre-paid shares into a dollar amount for purposes of determining the aggregate price of securities sold during the fiscal year pursuant to rule 24f-2.

<sup>12</sup> See Instruction C.2(a).

<sup>13</sup> See Instruction C.2(b).

<sup>14</sup> See Instruction C.3.

<sup>15</sup> See Registration Fees for Certain Investment Companies, Investment Company Act Release No. 21332 (Sept. 1, 1995) [60 FR 47041 (Sept. 11, 1995)] at nn.29-31 and accompanying text.

<sup>16</sup> See Instruction C.3. In both arrangements, a fund sells shares to a UIT that acts as a mere conduit for the investor's investment in the underlying fund. The Commission believes, therefore, that the rationale for relieving investors in variable insurance products from double payment of registration fees applies with equal force to investors in periodic payment plans. The Commission is not adopting, however, two commenters' suggestion that the instructions permit exclusion of the value of fund shares sold to a management investment company in a "fund-of-funds" arrangement. Unlike the UIT arrangements discussed above, a management company in a fund-of-funds arrangement does not act as a conduit for investments in the other funds.

section 24(f) and rule 24f-2 and the rescission of rules 24e-2 and 24f-1.<sup>17</sup>

## D. Transition/Effective Date

The rule and form amendments adopted today are effective on October 11, 1997, the effective date of the amendments to section 24 of the Investment Company Act. All funds must use Form 24F-2, as revised by these amendments, for filings made on or after October 11, 1997. Funds with a fiscal year ending on or after July 13, 1997 (90 days before October 11, 1997) that file Form 24F-2 on or after October 11, 1997 may net redemptions against sales pursuant to section 24(f) as amended. Funds that file for fiscal years ended after April 14, 1997, but before July 13, 1997 may net redemptions against sales, but must pay interest from the due date of the filing.

Section 24(f), as revised, applies to any fund with an effective registration statement under the Securities Act. Accordingly, the Commission will consider any fund that has an effective registration statement on October 11, 1997 to have registered, by operation of law, an indefinite amount of shares. After October 11, 1997, when the fund next files its post-effective amendment(s), it should also revise the cover pages of its registration statement to delete statements regarding the indefinite registration of securities.

The October 11, 1997 effective date of the rule and form amendments is less than 30 days after publication in the **Federal Register**, pursuant to the "good cause" exception under the Administrative Procedure Act, 5 U.S.C. 553(d)(3). As discussed above, these rule and form amendments are needed to accommodate changes to the statute concerning the registration of securities and the payment of registration fees, and they clarify certain transitional issues that the statutory amendments do not address. In the absence of the amendments adopted today, the current rules and forms would continue to be in effect, even though they do not correspond to the amended statutory provisions. The potential confusion that could result concerning the applicable requirements for funds could be detrimental to investors and to market participants. In addition, because funds are currently required to file Form 24F-2 and the rule and form amendments simplify this process, the Commission does not believe that an accelerated effective date will cause hardship to

affected funds. Accordingly, the Commission finds that there is good cause for effectiveness of the rule and form amendments on October 11, 1997.

## III. Cost-Benefit Analysis

In the Proposing Release, the Commission provided a Cost-Benefit Analysis on the amendments and requested comments. No comments were received on these matters. The Commission is sensitive to the costs and benefits imposed by its rules. The Commission notes that the amendments implement the changes mandated by the Improvement Act to the system for registering fund securities under the Securities Act. The amendments reflect the requirements of amended section 24 of the Investment Company Act and do not impose any additional requirements. The amendments to Form 24F-2 should assist funds in calculating their registration fees and interest, if any, under amended section 24(f). Based on its experience with Form 24F-2, the Commission believes that the benefits to funds and the Commission of having a standardized format for registration fee filings and the guidance provided by the Form outweigh any burdens associated with filing the Form. In the past, Form 24F-2 has made it easier for funds to calculate registration fees and reduced errors in fee calculations. Amended Form 24F-2 would continue these benefits.

The principal economic effect of the amendments is to increase the number of filers of Form 24F-2. The Commission estimates that there will be approximately 500 new filers of the Form. The only new costs that will be imposed for these new filers will be the cost of filing the form annually, which is estimated to average \$10 per filer. While in the aggregate there will be more filers of Form 24F-2, the reduction in the amount of time required to file the Form is expected to reduce the total filing costs by \$60,120.

The other possible economic effect of the amendments is due to the requirement (also included in the changes made by Congress to section 24) that interest be paid on any registration fees that are paid more than 90 days after the end of the fiscal year. This economic effect also should be insignificant because, based on the Commission's past experience, very few (less than five) registrants annually file Form 24F-2 late.

The Commission estimates that there will be a nearly 50% reduction in the average time it takes filers to complete the Form. The additional guidance provided on the Form will make it easier and less time consuming for

<sup>17</sup> Rule 485 under the Securities Act; Form N-1A; Form N-3; Form N-4; Form S-6; Form N-14; rule 24e-1 under the Investment Company Act; rule 13 of Regulation S-T; and rule 3a of the Commission's Informal and Other Procedures.

investment companies to calculate the registration fees due and to avoid errors in fee calculations. Thus, the amendments will not result in a major increase in either costs or prices. In addition, the amendments should have no adverse effects on efficiency, competition, or capital formation.

#### IV. Paperwork Reduction Act

As set forth in the Proposing Release, Form 24F-2 contains "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 ("PRA").<sup>18</sup> Accordingly, the collection of information requirements contained in the rule amendments were submitted to the Office of Management and Budget ("OMB") for review pursuant to section 3507(d) of the PRA. No comments were received on the proposal with respect to the PRA submission.<sup>19</sup> The collection of information requirements are in accordance with section 3507 of the PRA. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the agency displays a valid OMB control number. OMB approved the PRA request and assigned a control number of 3235-0456, with an expiration date of August 31, 2000.

Form 24F-2 provides a standardized format for funds' annual registration fee filings and assists funds in calculating the fees. Form 24F-2 is required to be filed annually. It is estimated that approximately 6681 funds file Form 24F-2. The current average annual burden per respondent for Form 24F-2 is estimated to be 1.9 hours. The total annual burden for all respondents for Form 24F-2 is estimated to be 12,694 hours. The amendments would reduce the annual burden per respondent for Form 24F-2 from 1.9 hours to 1 hour.

The amendments to this collection of information are necessary to implement the changes to section 24 of the Investment Company Act made by the Improvement Act. The information collection requirements imposed by Form 24F-2 are mandatory. Responses to the collection of information will not be kept confidential.

#### V. Summary of Regulatory Flexibility Analysis

A summary of the Initial Regulatory Flexibility Analysis, which was prepared in accordance with 5 U.S.C. 603, was published in the Proposing Release. No comments were received on

this analysis. The Commission has prepared a Final Regulatory Flexibility Analysis ("FRFA") in accordance with 5 U.S.C. 604 regarding the rule and form amendments. The FRFA states that the amendments to rule 24F-2 and Form 24F-2 implement the provisions of the Improvement Act governing registration of fund securities under the Securities Act. The FRFA further states that the conforming amendments to rules and forms conform the relevant provisions to the requirements of amended section 24 of the Investment Company Act. The FRFA indicates that the amendments are designed to make it easier for funds to comply with the new statutory provisions and provide guidance on calculating registration fees on fund securities.

The FRFA sets forth the statutory authority for the amendments. The FRFA also discusses the effect of the amendments on funds that are small entities. For purposes of the amendments, small entities are funds with assets of \$50 million or less at the end of their most recent fiscal year. Based on a review of data filed by funds with the Commission, it is estimated that approximately 948 funds may be considered small entities. The FRFA states that the amendments would assist small entities in complying with the new statutory requirements.

The FRFA states that the amendments would not impose any new reporting, recordkeeping or other compliance requirements, and that the Commission believes that there are no rules that duplicate, overlap or conflict with the amendments.

The FRFA discusses the various alternatives considered by the Commission in connection with the amendments that might minimize the effect on small entities, including: (a) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (b) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for small entities; (c) the use of performance rather than design standards; and (d) an exemption from coverage of the rule, or any part of the rule, for small entities. Performance, rather than design, standards are incorporated in amended section 24(f) of the Investment Company Act, and are therefore incorporated into the rule and form amendments, to the extent that (i) registration fees on fund shares are based on sales less redemptions, and (ii) a fund is required to pay interest if the registration fee is paid late.

The Commission believes that it would be inconsistent with the purposes of amended section 24 of the Investment Company Act to exempt small entities from the amendments. The Commission considered not having a standardized form to accompany the funds' annual registration fee filings. Based on the Commission's and funds' experience prior to the adoption of Form 24F-2, and the comments received when Form 24F-2 was proposed, however, the Commission believes that Form 24F-2 has been beneficial. Form 24F-2 has made it easier for funds to calculate registration fees and reduced errors in fee calculations.

Different compliance or reporting requirements for small entities are not necessary because the amendments do not establish any new reporting, recordkeeping or compliance requirements. The Commission has determined that it is not feasible to further clarify, consolidate or simplify the amendments for small entities. Cost-benefit information reflected in the "Cost-Benefit Analysis" section of this Release also is reflected in the FRFA. A copy of the FRFA may be obtained by contacting Robin S. Gross, Mail Stop 10-2, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

#### VI. Statutory Authority

The Commission is rescinding rules 24e-2 and 24f-1, and amending rules 24e-1 and 24f-2 and Form 24F-2, pursuant to the authority set forth in sections 24 and 38(a) of the Investment Company Act [15 U.S.C. 80a-24, -37(a)]. The Commission is amending rule 485 pursuant to the authority set forth in sections 6, 7, 8, 10 and 19(a) of the Securities Act [15 U.S.C. 77f, 77g, 77h, 77j, 77s(a)] and section 38 of the Investment Company Act. The authority citations for the amendments to Forms N-1A, N-3, N-4, N-14 and S-6, and rule 13 of Regulation S-T and rule 3a of the Commission's Informal and Other Procedures precede the text of the amendments.

#### List of Subjects

##### 17 CFR Part 202

Administrative practice and procedure, Securities.

##### 17 CFR Parts 230, 270 and 274

Investment companies, Reporting and recordkeeping requirements, Securities.

##### 17 CFR Part 232

Administrative practice and procedure, Reporting and recordkeeping requirements, Securities.

<sup>18</sup> 44 U.S.C. 3501-3520.

<sup>19</sup> One commenter did refer to the Paperwork Reduction Act in connection with suggesting amendments not proposed by the Commission.

## 17 CFR Part 239

Reporting and recordkeeping requirements, Securities.

**Text of Rule and Form Amendments**

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

**PART 202—INFORMAL AND OTHER PROCEDURES**

1. The authority citation for part 202 continues to read in part as follows:

**Authority:** 15 U.S.C. 77s, 77t, 78d-1, 78u, 78w, 78ll(d), 79r, 79t, 77sss, 77uuu, 80a-37, 80a-41, 80b-9, and 80b-11, unless otherwise noted.

\* \* \* \* \*

**§ 202.3a [Amended]**

2. In § 202.3a, the seventh sentence of the introductory text is amended by adding the phrase “, including fees paid pursuant to Section 24(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-24(f))” after the phrase “Section 6(b) of the Securities Act of 1933”.

**PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933**

3. The authority citation for Part 230 continues to read in part as follows:

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

\* \* \* \* \*

**§ 230.485 [Amended]**

4. Section 230.485 is amended by removing paragraphs (b)(1)(i) and (ii) and redesignating paragraphs (b)(1)(iii) through (ix) as paragraphs (b)(1)(i) through (vii), revising the reference to “paragraph (b)(1)(ix)” in the introductory text of paragraph (b)(2) to read “paragraph (b)(1)(vii)” and the references to “paragraph (b)(1)(v)” in paragraph (d)(2)(ii)(B) and the undesignated paragraph that follows to read “paragraph (b)(1)(iii)”.

**PART 232—REGULATION S-T—GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS**

5. 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.

**§ 232.13 [Amended]**

6. Section 232.13 is amended in paragraph (a)(1)(iii) by adding after the

words “Securities Act filings” the phrase “, including filings under section 24(f) of the Investment Company Act (15 U.S.C. 80a-24(f))”.

**PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933**

7. The authority citation for Part 239 continues to read in part as follows:

**Authority:** 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 77z-2, 77sss, 78c, 78l, 78m, 78n, 78o(d), 78u-5, 78w(a), 78ll(d), 79e, 79f, 79g, 79j, 79l, 79m, 79n, 79q, 79t, 80a-8, 80a-29, 80a-30 and 80a-37, unless otherwise noted.

\* \* \* \* \*

**§ 239.16 [Form S-6 amended]**

8. Form S-6 (referenced in § 239.16) is amended on the cover page by removing the words “and amount” in Item E, removing Items F and G, and redesignating Item H as Item F.

**Note:** Form S-6 does not, and the amendment will not, appear in the *Code of Federal Regulations*.

**§ 239.23 [Form N-14 amended]**

**Note:** Form N-14 does not, and the amendments will not, appear in the *Code of Federal Regulations*.

9. Form N-14 (referenced in § 239.23) is amended on the cover page by revising the Instruction to the table “Calculation of Registration Fee under the Securities Act of 1933” to read as follows:

**FORM N-14**

\* \* \* \* \*

**Calculation of Registration Fee under the Securities Act of 1933**

\* \* \* \* \*

**Instruction**

Registrants relying on section 24(f) of the Investment Company Act, which permits registration of an indefinite number of securities, need not include the Securities Act registration fee table, but must provide the “Title of Securities Being Registered” and state that no filing fee is due because of reliance on section 24(f).

\* \* \* \* \*

10. Form N-14 (referenced in § 239.23) is amended by revising General Instruction B to read as follows:

**FORM N-14**

\* \* \* \* \*

**General Instructions**

\* \* \* \* \*

**B. Registration Fee**

Section 6(b) of the 1933 Act and Rule 457 [17 CFR 230.457] thereunder set forth the fee requirements under the 1933 Act. Registrants relying on section 24(f) of the 1940 Act, which permits registration of an indefinite number of shares, are directed to rule 24f-2 under the 1940 Act [17 CFR 270.24f-2]

regarding payment of the registration fee. If, contemporaneous with a filing on Form N-14, an open-end management company is offering its securities to the public by means of a current prospectus under an effective registration statement, the prospectus included in a registration statement filed on Form N-14 may be used, under Rule 429(a) [17 CFR 230.429(a)], in connection with the securities covered by the earlier registration statement.

\* \* \* \* \*

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

11. The authority citation for part 270 is amended by adding the following citation to read as follows:

**Authority:** 15 U.S.C. 80a-1 *et seq.*, 80a-37, 80a-39 unless otherwise noted;

\* \* \* \* \*

Section 270.24f-2 also issued under 15 U.S.C. 80a-24(f)(4).

**§ 270.24e-1 [Amended]**

12. Section 270.24e-1 is amended by removing the reference “24(e)(3)” each time it appears and adding the reference “24(e)”.

**§ 270.24e-2 [Removed]**

13. Section 270.24e-2 is removed.

**§ 270.24f-1 [Removed]**

14. Section 270.24f-1 is removed.

15. Section 270.24f-2 is revised to read as follows:

**§ 270.24f-2 Registration under the Securities Act of 1933 of certain investment company securities.**

(a) *General.* Any face-amount certificate company, open-end management company or unit investment trust (“issuer”) that is deemed to have registered an indefinite amount of securities pursuant to section 24(f) of the Act [15 U.S.C. 80a-24(f)] must, not later than 90 days after the end of any fiscal year during which it has publicly offered such securities, file Form 24F-2 (17 CFR 274.24) with the Commission. Form 24F-2 must be prepared in accordance with the requirements of that Form, and must be accompanied by the payment of a registration fee with respect to the securities sold during the fiscal year in reliance upon registration pursuant to section 24(f) of the Act calculated in the manner specified in section 24(f) of the Act and in the Form. An issuer that pays the registration fee more than 90 days after the end of its fiscal year must pay interest in the manner specified in section 24(f) of the Act and in Form 24F-2.

(b) *Issuer ceasing operations; mergers and other transactions.* For purposes of

this section, if an issuer ceases operations, the date the issuer ceases operations will be deemed to be the end of its fiscal year. In the case of a liquidation, merger, or sale of all or substantially all of the assets ("merger") of the issuer, the issuer will be deemed to have ceased operations for purposes of this section on the date the merger is consummated; *provided, however*, that in the case of a merger of an issuer or a series of an issuer ("Predecessor Issuer") with another issuer or a series of an issuer ("Successor Issuer"), the Predecessor Issuer will not be deemed to have ceased operations and the Successor Issuer will assume the obligations, fees, and redemption credits of the Predecessor Issuer incurred pursuant to section 24(f) of the Act and § 270.24e-2 (as in effect prior to October 11, 1997; see 17 CFR part 240 to end, revised as of April 1, 1997) if the Successor Issuer:

(1) Had no assets or liabilities, other than nominal assets or liabilities, and no operating history immediately prior to the merger;

(2) Acquired substantially all of the assets and assumed substantially all of the liabilities and obligations of the Predecessor Issuer; and

(3) The merger is not designed to result in the Predecessor Issuer merging with, or substantially all of its assets being acquired by, an issuer (or a series of an issuer) that would not meet the conditions of paragraph (b)(1) of this section.

(c) *Counting days.* To determine the date on which Form 24F-2 must be filed with the Commission under paragraph (a) of this section, the first day of the 90-day period is the first calendar day of the fiscal year following the fiscal year for which the Form is to be filed. If the last day of the 90-day period falls on a Saturday, Sunday or federal holiday, the period ends on the first business day thereafter.

**Note to paragraph (c):** For example, a Form 24F-2 for a fiscal year ending on June 30 must be filed no later than September 28. If September 28 falls on a Saturday or Sunday, the Form must be filed on the following Monday.

## PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

## PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

16. The authority citation for part 274 continues to read as follows:

**Authority:** 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78l, 78m, 78n, 78o(d), 80a-8, 80a-24, and 80a-29, unless otherwise noted.

### §§ 239.15A and 274.11A [Form N-1A Amended]

**Note:** Form N-1A does not, and the amendments will not, appear in the *Code of Federal Regulations*.

17. Form N-1A (referenced in § 239.15A and § 274.11A) is amended on the cover page by removing the words "Calculation of Registration Fee Under the Securities Act of 1933" and the accompanying chart and note, and adding the following:

"Title of Securities Being Registered.....

Omit from the facing sheet reference to the other Act if the Registration Statement or amendment is filed under only one of the Acts. Include the "Approximate Date of Proposed Public Offering" and "Title of Securities Being Registered" only where securities are being registered under the Securities Act of 1933."

18. Form N-1A (referenced in § 239.15A and § 274.11A) is amended by revising General Instruction B to read as follows:

#### Form N-1A

\* \* \* \* \*

#### General Instructions

\* \* \* \* \*

#### B. Registration Fees

Registration fees should not be paid when filing this form. See section 24(f) of the Investment Company Act and rule 24f-2 thereunder.

\* \* \* \* \*

19. Form N-1A (referenced in § 239.15A and § 274.11A) is amended by revising General Instruction F.2 to read as follows:

#### Form N-1A

\* \* \* \* \*

#### General Instructions

\* \* \* \* \*

#### F. Documents Comprising Registration Statement or Amendment

\* \* \* \* \*

2. A registration statement or an amendment thereto which is filed under only the 1933 Act shall contain all the information and documents specified in paragraph 1 of this Instruction F.

\* \* \* \* \*

20. Form N-1A (referenced in § 239.15A and § 274.11A) is amended by removing General Instruction F.3 and redesignating General Instruction F.4 as General Instruction F.3.

### §§ 239.17a and 274.11b [Form N-3 Amended]

**Note:** Form N-3 does not, and the amendments will not, appear in the *Code of Federal Regulations*.

21. Form N-3 (referenced in § 239.17a and § 274.11b) is amended on the cover

page by removing the words "Calculation of Registration Fee Under the Securities Act of 1933" and the accompanying chart and note, and adding the following:

"Title of Securities Being Registered.....

Omit from the facing sheet reference to the other Act if the Registration Statement or amendment is filed under only one of the Acts. Include the "Approximate Date of Proposed Public Offering" and "Title of Securities Being Registered" only where securities are being registered under the Securities Act of 1933."

22. Form N-3 (referenced in § 239.17a and § 274.11b) is amended by revising General Instruction B to read as follows:

#### Form N-3

\* \* \* \* \*

#### General Instructions

\* \* \* \* \*

#### B. Registration Fees

Registration fees should not be paid when filing this form. See section 24(f) of the Investment Company Act and rule 24f-2 thereunder.

\* \* \* \* \*

23. Form N-3 (referenced in § 239.17a and § 274.11b) is amended by revising General Instruction H.2 to read as follows:

#### Form N-3

\* \* \* \* \*

#### General Instructions

\* \* \* \* \*

#### H. Documents Comprising Registration Statement or Amendment

\* \* \* \* \*

2. A registration statement or an amendment to it which is filed under only the 1933 Act shall contain all the information and documents specified in paragraph 1 of this Instruction H.

\* \* \* \* \*

24. Form N-3 (referenced in § 239.17a and § 274.11b) is amended by removing General Instruction H.3 and redesignating General Instructions H.4 and H.5 as General Instructions H.3 and H.4.

### §§ 239.17b and 274.11c [Form N-4 Amended]

**Note:** Form N-4 does not, and the amendments will not, appear in the *Code of Federal Regulations*.

25. Form N-4 (referenced in § 239.17b and § 274.11c) is amended on the cover page by removing the words "Calculation of Registration Fee Under the Securities Act of 1933" and the accompanying chart and note, and adding the following:

"Title of Securities Being Registered.....

Omit from the facing sheet reference to the other Act if the Registration Statement or amendment is filed under only one of the Acts. Include the "Approximate Date of Proposed Public Offering" and "Title of Securities Being Registered" only where securities are being registered under the Securities Act of 1933."

26. Form N-4 (referenced in § 239.17b and § 274.11c) is amended by revising General Instruction B to read as follows:

**Form N-4**

\* \* \* \* \*

*General Instructions*

\* \* \* \* \*

**B. Registration Fees**

Registration fees should not be paid when filing this form. See section 24(f) of the Investment Company Act and rule 24f-2 thereunder.

\* \* \* \* \*

27. Form N-4 (referenced in § 239.17b and § 274.11c) is amended by revising

General Instruction H.2 to read as follows:

**Form N-4**

\* \* \* \* \*

*General Instructions*

\* \* \* \* \*

**H. Documents Comprising Registration Statement or Amendment**

\* \* \* \* \*

2. A registration statement or an amendment to it which is filed under only the 1933 Act shall contain all the information and documents specified in paragraph 1 of this Instruction H.

\* \* \* \* \*

28. Form N-4 (referenced in § 239.17b and § 274.11c) is amended by removing General Instruction H.3 and redesignating General Instructions H.4 and H.5 as General Instructions H.3 and H.4.

29. Section 274.24 and Form 24F-2 are revised to read as follows:

**§ 274.24 Form 24F-2, annual filing of securities sold pursuant to registration of certain investment company securities.**

Form 24F-2 shall be used as the annual report filed by face amount certificate companies, open-end management companies, and unit investment trusts pursuant to § 270.24f-2 of this chapter for reporting securities sold during the fiscal year.

**Note:** Form 24F-2 does not, and the amendments will not, appear in the Code of Federal Regulations. A copy of Form 24F-2 as revised is attached as Appendix I to this document.

By the Commission.

Dated: September 10, 1997.

**Margaret H. McFarland,**  
*Deputy Secretary.*

BILLING CODE 8010-01-P

**APPENDIX I**

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 24F-2**  
**Annual Notice of Securities Sold**  
**Pursuant to Rule 24f-2**

| OMB APPROVAL   |                 |
|--|-----------------|
| OMB Number:  | 3235-0456       |
| Expires:   | August 31, 2000 |
| Estimated average burden<br>hours per response . . . . . | 1               |

*Read instructions at end of Form before preparing Form. Please print or type.*

|   |
|---|
| 1. Name and address of issuer:  |
| 2. The name of each series or class of securities for which this Form is filed (If the Form is being filed for all series and classes of securities of the issuer, check the box but do not list series or classes): <input type="checkbox"/>   |
| 3. Investment Company Act File Number:<br><br>Securities Act File Number:   |
| 4(a). Last day of fiscal year for which this Form is filed:   |
| 4(b). <input type="checkbox"/> Check box if this Form is being filed late (i.e., more than 90 calendar days after the end of the issuer's fiscal year). (See Instruction A.2)<br><br><i>Note: If the Form is being filed late, interest must be paid on the registration fee due.</i> |
| 4(c). <input type="checkbox"/> Check box if this is the last time the issuer will be filing this Form.  |



|  |              |
|--|--------------|
| 5. Calculation of registration fee:  |              |
| (i) Aggregate sale price of securities sold during the fiscal year pursuant to section 24(f):  | \$ _____     |
| (ii) Aggregate price of securities redeemed or repurchased during the fiscal year:   | \$ _____     |
| (iii) Aggregate price of securities redeemed or repurchased during any <i>prior</i> fiscal year ending no earlier than October 11, 1995 that were not previously used to reduce registration fees payable to the Commission:   | \$ _____     |
| (iv) Total available redemption credits [add Items 5(ii) and 5(iii)]:  | -\$ _____    |
| (v) Net sales -- if Item 5(i) is greater than Item 5(iv) [subtract Item 5(iv) from Item 5(i)]:   | \$ _____     |
| (vi) Redemption credits available for use in future years -- if Item 5(i) is less than Item 5(iv) [subtract Item 5(iv) from Item 5(i)]:  | \$ ( _____ ) |
| (vii) Multiplier for determining registration fee (See Instruction C.9):   | x _____      |
| (viii) Registration fee due [multiply Item 5(v) by Item 5(vii)] (enter "0" if no fee is due):  | = \$ _____   |
| 6. Prepaid Shares<br><br>If the response to item 5(i) was determined by deducting an amount of securities that were registered under the Securities Act of 1933 pursuant to rule 24e-2 as in effect before October 11, 1997, then report the amount of securities (number of shares or other units) deducted here: _____. If there is a number of shares or other units that were registered pursuant to rule 24e-2 remaining unsold at the end of the fiscal year for which this form is filed that are available for use by the issuer in future fiscal years, then state that number here: _____. |              |
| 7. Interest due -- if this Form is being filed more than 90 days after the end of the issuer's fiscal year (see Instruction D):<br><br><div style="text-align: right;">+\$ _____</div>   |              |
| 8. Total of the amount of the registration fee due plus any interest due [line 5(viii) plus line 7]:<br><br><div style="text-align: right;">= \$ _____</div>   |              |
| 9. Date the registration fee and any interest payment was sent to the Commission's lockbox depository:<br><br>Method of Delivery:<br><br><div style="margin-left: 40px;"> <input type="checkbox"/> Wire Transfer<br/> <input type="checkbox"/> Mail or other means         </div>  |              |

## SIGNATURES

This report has been signed below by the following persons on behalf of the issuer and in the capacities and on the dates indicated.

By (Signature and Title)\* \_\_\_\_\_

Date \_\_\_\_\_

\*Please print the name and title of the signing officer below the signature.

BILLING CODE 8010-01-C

**UNITED STATES  
SECURITIES AND EXCHANGE  
COMMISSION**

Washington, D.C. 20549

FORM 24F-2

**Annual Filing Under Rule 24f-2 of the  
Investment Company Act of 1940**

**Instructions**

**A. General**

1. This Form should be used by an open-end management investment company, face amount certificate company, or unit investment trust ("issuer") for annual filings required by rule 24f-2 under the Investment Company Act of 1940 [15 U.S.C. 80a] ("Investment Company Act"). If the issuer has registered more than one class or series of securities on the same registration statement under the Securities Act of 1933 [15 U.S.C. 77a-aa] ("Securities Act"), the issuer may file a single Form 24F-2 for those classes or series that have the same fiscal year end. Such an issuer may calculate its fees based on aggregate net sales of the series having the same fiscal year end. An issuer choosing to calculate registration fees on a class-by-class or series-by-series basis should make a single filing consisting of a separate Form 24F-2 for each class or series in a single EDGAR document.

2. This Form must be filed within 90 calendar days after the end of the issuer's fiscal year or, if the last day of the 90 day period falls on Saturday, Sunday or a federal holiday, the first business day thereafter. For example, a Form 24F-2 for a fiscal year ending on June 30 must be filed no later than September 28. If September 28 falls on a Saturday or Sunday, the Form must be filed on the following Monday. In these instructions, we refer to this as the "Due Date."

3. Pursuant to rule 101(a)(1)(i) of Regulation S-T [17 CFR 232.101(a)(1)(i)] this Form must be submitted in electronic format using the Commission's Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system. Consult the EDGAR Filer Manual and Appendices for instructions on how to properly construct the submission header for an electronic Form 24F-2 EDGAR filing.

4. This Form must be accompanied by the appropriate registration fee. If the Form is being filed late, interest must be paid. See Instruction D.

5. This Form will be deemed filed with the Commission on the date on which it is received and accepted by the Commission. The Commission will not accept for filing any Form accompanied by insufficient payment of the registration fee. A Form accompanied by insufficient payment of the registration fee will not be deemed accepted and filed until receipt by the Commission of proper payment of the registration fee. No part of the registration fee is refundable. Issuers should refer to rule 0-8 under the Investment Company Act [17 CFR 270.0-8], rule 3a of the Commission's Rules of Informal and Other Procedures [17 CFR 202.3a], and rule 13(c) under Regulations S-T [17 CFR 232.13(c)] for instructions on payment of fees to the Commission.

**B. Identifying Information**

**1. Item 1**—Provide the name of the issuer as it appears on the cover of the issuer's most recent Securities Act registration statement or post-effective amendment.

**2. Item 2**—If the Form is being filed for all classes and series of securities of the issuer, the issuer should check the box and not list the names of the classes and series.

**3. Item 3**—The Investment Company Act file number should be the number assigned to the issuer's registration statement filed under the Investment Company Act (beginning with "811-"). The Securities Act file number is the number of the registrant's most recent Securities Act registration statement (beginning with "2-", "33-" or "333-").

**4. Item 4(a)**—In the case of an issuer that ceases operations, the date it ceases operations is deemed the last day of its fiscal year for purposes of section 24(f) of the Investment Company Act.

**5. Item 4(b)**—Check the box if the Form is filed late. If the issuer files the Form late, the issuer is required under section 24(f) to pay interest on unpaid amounts at the rate applicable to Treasury and tax loan accounts. See Instruction D.

**6. Item 4(c)**—Check the box if this is the last time the issuer will be filing Form 24F-2 (i.e., if the issuer had ceased operations).

**C. Computation of Registration Fee**

**1. Item 5** is a work sheet for calculating the registration fee due. An issuer must aggregate prices for all classes or series for which the Form is being filed. If the issuer charges a front-end sales load on its securities, the aggregate sale price must include the sales load.

**2. Mergers—**

(a) In the case of a liquidation, merger, or sale of all or substantially all of the assets of an issuer ("merger"), the securities of the fund ceasing operation (the "Predecessor Fund") that are exchanged for or converted into the other issuer (the "Successor Fund") should be treated as redemptions on the Predecessor Fund's final Form 24f-2 (not the Successor Fund's).

(b) In the case of a merger in which the Predecessor Fund is not deemed to cease operations (e.g. a reorganization), the Successor Fund inherits the sales and redemption credits of the Predecessor Fund, and the Successor Fund must report them as sales and redemptions on its next Form 24f-2 filing. The Predecessor fund in this type of merger need not file a final Form 24F-2. See Rule 24f-2(b) (1) and (2) [17 CFR 270.24f-2(b) (1) and (2)].

**3. Special Rule for Unit Investment**

**Trusts**—The aggregate sale price of securities sold to a unit investment trust ("UIT") that offers interests that offers interests that are registered under the Securities Act on which a registration fee has been or will be paid to the Commission, may be excluded from the aggregate sale price of securities reported in Item 5(i). If the issuer chooses to exclude the aggregate sale price of these securities from Item 5(i), the issuer may not use securities redeemed or repurchased from those UITs for purposes of determining the redemption or repurchase price of securities in Items 5(ii) and 5(iii).

**4. EDGAR**—Report responses for Item 5 under the following EDGAR header-tags:

Item 5(i)—<SALE-PROCEEDS>

Item 5(iv)—<REDEEMED-VALUE>

Item 5(viii)—<FEE-PAID>

The <SALE-PROCEEDS> and <REDEEMED-VALUE> tags are located immediately after the <SHARES> tag in the 24F-2 submission header.

**5. Item 5(i)**—Report the aggregate sale price of securities sold during the fiscal year in reliance upon registration under section 24(f). Include securities issued pursuant to dividend reinvestment plans ("DRIP shares") whether or not they are required to be registered under the Securities Act. Do not include the sale price of securities, if any, that were registered under the Securities Act other than pursuant to section 24(f), such as securities registered by post-effective amendment pursuant to rule 24e-2 under the Investment Company Act as in effect before October 11, 1997.

**Example:** An issuer sold 1,000,000 shares, and 250,000 shares had previously been registered pursuant to rule 24e-2. Item 5(i) should show the aggregate sale price of 750,000 shares.

**6. Item 5(ii)**—Report the aggregate redemption or repurchase price of securities redeemed or repurchased during the fiscal year. Do not include securities that have been redeemed or repurchased and previously applied as a reduction to registration fees pursuant to rule 24e-2 as in effect before October 11, 1997.

**Example:** An issuer with an August 30, 1997 fiscal year end registered shares pursuant to rule 24e-2 in September 1997. The issuer applied securities redeemed during its 1997 fiscal year to reduce its registration fees payable under rule 24e-2. The redemption price of these redeemed securities should not be included in Item 5(ii).

**7. Item 5(iii)**—Report the aggregate redemption or repurchase price of securities redeemed or repurchased during any prior fiscal year ending no earlier than October 11, 1995, that were not used previously to reduce registration fees payable to the Commission. Do not include securities that have been redeemed or repurchased and previously applied as a reduction to registration fees pursuant to rule 24e-2 as in effect before October 11, 1997. See the Example to Item 5(ii).

**8. Items 5(iv) through 5(vi)**—Report the sum of Items 5(ii) and 5(iii) in Item 5(iv). Subtract Item 5(iv) from Item 5(i). If Item 5(iv) is less than Item 5(i), report the result in Item 5(v) (net sales). If Item 5(iv) is greater than Item 5(i), report the resulting negative number in parentheses in Item 5(vi) (net redemptions or repurchases). The amount of redemptions or repurchases reported in Item 5(vi) may be used by the issuer in future years to offset sales (by including it in response to Item 5(iii) of Form 24F-2 filed for the next fiscal year).

**9. Item 5(vii)**—The multiplier for calculation of the registration fee is determined by the Commission in accordance with Section 6(b) of the Securities Act [15 U.S.C. 77f(b)]. As of October 1, 1996, the multiplier was 1/3300. Use of a decimal factor or some other method to calculate registration fees may result in payment of an incorrect amount. This multiplier is subject to change from time to time, without notice, by act of Congress through appropriations for the Commission or other laws. Issuers should determine the current fee rate prior to the time of filing by reference to Section 6(b) and any law or regulation affecting Section 6(b). The Commission generally makes available information concerning changes in the fee rate of its Internet site at <http://www.sec.gov/news/press>. Unless otherwise specified by act of Congress, the fee rate in effect at the time of filing applies to all securities sold during the fiscal year, regardless of whether the fee rate changed during the year.

**10. Item 5(viii)**—If the issuer reports net redemptions or repurchases in Item 5(vi), report "0" in Item 5(viii).

**11. Item 6**—If the issuer has sold securities during the fiscal year that were registered under rule 24e-2 as in effect prior to October

11, 1997 (and thus are pre-paid), the issuer should exclude the pre-paid securities from 5(i) and instead report them in item 6. If, after deducting the pre-paid securities from the aggregate sale price of securities sold during the fiscal year, there is a balance of pre-paid shares remaining, the issuer should report those pre-paid shares that remain.

**Example:** An issuer sold 1,000,000 shares, and had 1,250,000 shares which were pre-paid because they had previously been registered pursuant to rule 24e-2. Item 5(i) should show the aggregate sale price was 0, and Item 6 should show that 1,000,000 pre-paid shares were used and that 250,000 prepaid shares remain.

#### *D. Computation of Interest Due if Form is Filed Late*

**1. Item 7**—Section 24(f) requires any issuer that pays its registration fee after the Due Date (see Instruction A.2) to pay interest to the Commission on amounts not timely paid. The payment of interest does not preclude the Commission from bringing an action to enforce the requirements of section 24(f). Pursuant to section 11 of the Debt Collection Act [31 U.S.C. 3717(a)], that rate is published by the Secretary of the Treasury. The rate is computed each year for the 12-month period ending September 30 for applicability effective January 1 of the following year. The rate in effect for calendar year 1997 is 5 percent. In some circumstances the rate may be changed on a quarterly basis. Filers owing interest should verify the current interest rate.

**2.** The interest is assessed only on the amount of the registration fee due, and begins to accrue on the day after the Due Date. The amount of interest due should be calculated based on the interest rate in effect at the time the interest payment is made using the following formula:

$$I = (X) \cdot (Y) \cdot (Z/365)$$

where:

I = Amount of interest due

X = Amount of registration fee due

Y = Applicable interest rate, expressed as a fraction

Z = Number of days by which the registration fee payment is late

#### *E. Payment and Signature*

**1. Item 9**—Identify which SEC account number (payor's CIK number) was designated to receive the payment.

**2.** The Form must be signed on behalf of the issuer by an authorized officer of the issuer. See rule 302 of Regulation S-T [17 CFR 232.302] regarding signatures on forms filed electronically.

#### *F. SEC's Collection of Information*

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Filing of this Form is mandatory. The principal purpose of this collection of information is to enable issuers to calculate the registration fee payable to the Commission. The Commission estimates that the burden for completing the Form will be approximately 1 hour per filing. Any member of the public may direct to the Commission any comments concerning the

accuracy of the burden estimate of this Form, and any suggestions for reducing this burden. This collection of information has been reviewed by the Office of Management and Budget in accordance with the clearance requirements of 44 U.S.C. § 3507. The responses to the collection of information will not be kept confidential.

[FR Doc. 97-24344 Filed 9-11-97; 8:45 am]

BILLING CODE 8010-01-P

## DEPARTMENT OF DEFENSE

### Department of the Navy

#### 32 CFR Part 706

#### Certifications and Exemptions Under the International Regulations for Preventing Collisions at Sea, 1972

**AGENCY:** Department of the Navy, DOD.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Navy is amending its certifications and exemptions under the International Regulations for Preventing Collisions at Sea, 1972 (72 COLREGS), to reflect that the Deputy Assistant Judge Advocate General (Admiralty) of the Navy has determined that USS DECATUR (DDG 73) is a vessel of the Navy which, due to its special construction and purpose, cannot fully comply with certain provisions of the 72 COLREGS without interfering with its special function as a naval ship. The intended effect of this rule is to warn mariners in waters where 72 COLREGS apply.

**EFFECTIVE DATE:** August 29, 1997.

#### **FOR FURTHER INFORMATION CONTACT:**

Captain R.R. Pixa, JAGC, U.S. Navy, Admiralty Counsel, Office of the Judge Advocate General, Navy Department, 200 Stovall Street, Alexandria, VA 22332-2400, telephone number: (703) 325-9744.

**SUPPLEMENTARY INFORMATION:** Pursuant to the authority granted in 33 U.S.C. 1605, the Department of the Navy amends 32 CFR Part 706. This amendment provides notice that the Deputy Assistant Judge Advocate General (Admiralty) of the Navy, under authority delegated by the Secretary of the Navy, has certified that USS DECATUR (DDG 73) is a vessel of the Navy which, due to its special construction and purpose, cannot fully comply with the following specific provisions of 72 COLREGS without interfering with its special function as a naval ship: Annex I, paragraph 2(f)(i) pertaining to placement of the masthead light or lights above and clear of all other lights and obstructions; Annex I, paragraph 2(f)(ii) pertaining to the vertical placement of task lights; Annex