

change Commission. U.S. corporations could cooperate by directing attention of large stockholders to the possible advantages of selling blocks in foreign markets.

Where the expenses can be justified by sound business purposes, interested U.S. corporations might be willing to absorb costs of distributing their shares abroad. In such circumstances, blocks of shares could be provided by two means: First, corporations wishing to raise additional capital could, where feasible, issue new shares for sale abroad. Second, corporations which consider it advantageous and practical to have increased foreign ownership of their shares, but which do not need new capital, might have blocks of their outstanding shares acquired in the open market for eventual redistribution abroad.

It would be shortsighted, however, to take advantage of lack of regulations in other countries comparable to those of the Securities and Exchange Commission in the United States. As long as adequate disclosures are made when issues are being offered abroad, there should be no need to go through the formality and expense of registration in the United States.

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*Recommendation No. 4:*

The Securities and Exchange Commission should issue a release setting forth the circumstances under which it would normally issue a "no action" letter providing that no registration be required on public offerings of securities outside of the United States to foreign purchasers, including dealers.

The Securities and Exchange Commission heretofore has been helpful in issuing "no action" letters in individual cases when the facts permitted. If a general policy could be set forth, however, it would clarify the position of the Commission in this regard and facilitate the activities of U.S. investment bankers in foreign markets. It would also be helpful if such a policy statement indicated that (1) a simultaneous private placement of the same securities in the United States would not prevent the issuance of a "no action" letter, and (2) the sale could be conducted from and closed in the United States.

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*Recommendation No. 5:*

The Securities and Exchange Commission should issue a release eliminating the require-