

MEMO# 24420

July 15, 2010

Compliance Review for Fund Intermediaries

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TO: BROKER/DEALER ADVISORY COMMITTEE No. 27-10
BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 20-10
CHIEF COMPLIANCE OFFICER COMMITTEE No. 6-10
COMPLIANCE ADVISORY COMMITTEE No. 7-10
OPERATIONS COMMITTEE No. 17-10 RE: COMPLIANCE REVIEW FOR FUND INTERMEDIARIES

You may recall that the Institute developed a compliance review tool for fund intermediaries and issued a press release announcing the availability of this new tool in November of 2008. [\[1\]](#) Because that was a time when members and their business partners were focused intently on responding to the effects of the global financial crisis, consideration of the compliance review tool was not a high priority. In recent months, however, some operations committee members have noted that fund intermediaries have been inquiring as to the status of the compliance review tool. Given the apparent renewed interest in this tool, and in light of the continuing trend toward conversion to omnibus account recordkeeping by fund intermediaries, we want to take this opportunity to remind members of the availability of the compliance review tool for use by fund intermediaries.

Members wishing to consider use of this tool by their distributors/record keepers are advised to review the materials that support the tool on the Institute's website and to point your business partners to the link so they may conduct their own reviews. [\[2\]](#) We urge members to engage with their omnibus record keepers about the availability of this tool and to encourage its use.

Donald J. Boteler
Vice President - Operations

endnotes

[\[1\]](#) The compliance review tool was developed with assistance from the four national accounting firms and a working group of member firms. The tool is designed to provide assurances regarding the effectiveness of a financial intermediary's compliance controls

and is conducted by an independent accountant under attestation standards issued by the AICPA.

[2] The press release announcing the availability of the compliance review tool, the Financial Intermediary Controls and Compliance Assessment describing functional activities within the scope of the review, and a sample auditor's report are available on the Institute's website http://www.ici.org/pressroom/news/08_news_comp_review.

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