

MEMO# 32987

December 16, 2020

ICI Letter to Treasury and IRS regarding Web Reporting of Distribution Information

[32987]

December 16, 2020 TO: ICI Members

Tax Committee SUBJECTS: Tax RE: ICI Letter to Treasury and IRS regarding Web Reporting of Distribution Information

ICI submitted the attached letter to the Treasury Department and the Internal Revenue Service (IRS) reiterating previous requests for clarification that regulated investment companies (RICs) may satisfy the reporting requirements regarding the character of certain dividends by posting the information on their public websites.^[1] This request will become even more important if the Securities and Exchange Commission (SEC) finalizes its proposal to reduce substantially the amount of information that can be included in shareholder reports, where many RICs today provide this dividend information.^[2] If the proposal is adopted, and absent clarification from the Treasury Department and the IRS that RICs can report certain dividends on their public websites, funds may need to mail separate statements to shareholders solely for tax purposes.

At the very least, ICI asks the government to confirm that RICs that include the distribution information in their financial statements and comply with the SEC's Rule 30e-3, which becomes effective on January 1, 2021, have satisfied these reporting requirements for tax purposes.

Karen Lau Gibian
Associate General Counsel

[Attachment](#)

endnotes

^[1] See Institute Memorandum No. 32656, dated August 4, 2020, which can be found at: https://www.ici.org/my_ici/memorandum/memo32656. See also Institute Memorandum No.

25309, dated June 30, 2011, which can be found at:
https://www.ici.org/my_ici/memorandum/memo25309.

[2] The SEC disclosure modernization proposal can be found at:
<https://www.sec.gov/rules/proposed/2020/33-10814.pdf>.

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