

MEMO# 26377

August 8, 2012

Institute Forms Securities Operations Advisory Group; Invites Member Participation

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TO: ACCOUNTING/TREASURERS COMMITTEE No. 10-12
EQUITY MARKETS ADVISORY COMMITTEE No. 15-12 RE: INSTITUTE FORMS SECURITIES OPERATIONS ADVISORY GROUP; INVITES MEMBER PARTICIPATION

Over the past few years several securities industry initiatives have surfaced that could impact portfolio securities operations (e.g. clearance and settlement issues) of ICI members. Last year, DTCC and SIFMA drafted recommendations, which are still outstanding, regarding changes to the settlement process for money market instruments. Also, to meet derivatives regulations, SIFMA has organized an industry group to develop a "Legal Entity Identifier" for counterparties to derivatives transactions. Last fall, DTCC and SIFMA engaged Boston Consulting Group (BCG) to conduct interviews of market stakeholders to determine the benefits, costs, and obstacles to a shortened settlement cycle, in order to reduce risks and capital requirements for the industry.

In order to best represent the portfolio securities operations of ICI members, the Institute plans to form a new committee – the Securities Operations Advisory Group (SOAG). The primary objective of this group is to provide advice and input to the Institute on current regulatory and industry initiatives affecting portfolio securities operations for mutual fund members. The immediate need for establishing the new group is to gather input from senior securities operations members with respect to the DTCC/SIFMA shortened settlement cycle project, including the BCG survey currently being conducted.

SOAG meetings will be conducted via conference call unless the group determines that a topic is significant enough for an in-person meeting. We anticipate the group calls will be held 2 – 4 times per year depending upon the issues to be addressed. If warranted, calls could be held more frequently and for longer durations. Advance notice of all calls will be provided and members would be encouraged to suggest additional discussion topics.

If you would like to designate a representative from your firm to participate on the SOAG, please complete the contact information on the attached form and send it to Raquel Canales (Raquel.Canales@ici.org) no later than August 24, 2012. If you have any

questions, please contact Marty Burns (mburns@ici.org, 202-326-5980) or Greg Smith (smith@ici.org, 202-326-5851). Thank you for your prompt attention to this request.

Kathleen C. Joaquin
Chief Industry Operations Officer

[Attachment](#)

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