

MEMO# 24766

December 7, 2010

Form Letter Members May Use To Obtain List Of Government Clients From Intermediaries Under The SEC's Pay-To-Play Rule

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TO: BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 52-10
BROKER/DEALER ADVISORY COMMITTEE No. 60-10
COMPLIANCE MEMBERS No. 34-10
INVESTMENT ADVISER MEMBERS No. 16-10
SMALL FUNDS MEMBERS No. 80-10 RE: FORM LETTER MEMBERS MAY USE TO OBTAIN LIST OF GOVERNMENT CLIENTS FROM INTERMEDIARIES UNDER THE SEC'S PAY-TO-PLAY RULE

As you may know, since the SEC's adoption of the pay-to-play rules last July, the Institute has been regularly sponsoring conference calls and working with members and the Commission to address implementation concerns. Persons who have participated in these calls have recommended that the Institute draft a form letter that members may use to alert their intermediaries to the rules' requirements that the fund's adviser maintain a list of all "government entities" invested in a fund advised by the adviser. Such a letter would avoid each mutual fund having to come up with its own letter, and avoid intermediaries being confused by a variety of letters addressing the rules' requirements.

In response to members' interest, we have prepared the attached letter that can be used to alert intermediaries to the basic requirements of the pay-to-play rules. In addition to providing an overview of the rule, the letter includes a place to insert the name and contact information of the person who will be collecting this information on behalf of the adviser, and notes that privacy laws do not prevent intermediaries sharing with fund advisers the information the SEC requires them to maintain. This letter has been vetted through ICI members and includes all of their recommended revisions.

We hope that members find this letter useful when they reach out to their intermediaries to

obtain the required information.

Heather L. Traeger
Associate Counsel

Tamara K. Salmon
Senior Associate Counsel

[Attachment](#)

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