

MEMO# 21229

June 11, 2007

IDC Issues Task Force Report on Board Oversight of Certain Service Providers

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TO: BOARD OF GOVERNORS No. 16-07
CLOSED-END INVESTMENT COMPANY MEMBERS No. 33-07
COMPLIANCE MEMBERS No. 23-07
INVESTMENT COMPANY DIRECTORS No. 11-07
OPERATIONS COMMITTEE No. 10-07
SEC RULES MEMBERS No. 59-07
SMALL FUNDS MEMBERS No. 39-07
TRANSFER AGENT ADVISORY COMMITTEE No. 31-07 RE: IDC ISSUES TASK FORCE REPORT
ON BOARD OVERSIGHT OF CERTAIN SERVICE PROVIDERS

The Independent Directors Council has issued a report entitled “Board Oversight of Certain Service Providers.” The report provides practical guidance to boards in overseeing the following kinds of service providers: the administrator, custodian, fund accounting agent, transfer agent, and securities lending agent. An IDC task force was created to formulate this guidance. The report discusses board oversight of the selection of these service providers, including potential board considerations in evaluating service provider agreements, the qualifications and capabilities of service providers, fees, and potential conflicts of interest. The report also discusses ongoing oversight of service providers by boards.

A copy of the report is attached to this memorandum and may be found at www.idc.org.

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Managing Director

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