

MEMO# 22722

July 22, 2008

IOSCO Seeks Comment on Point of Sale Issues Paper

[22722]

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TO: SEC RULES COMMITTEE No. 52-08
INTERNATIONAL COMMITTEE No. 17-08
SMALL FUNDS COMMITTEE No. 22-08
BROKER/DEALER ADVISORY COMMITTEE No. 21-08
TRANSFER AGENT ADVISORY COMMITTEE No. 34-08 RE: IOSCO SEEKS COMMENT ON
POINT OF SALE ISSUES PAPER

On July 8, 2008, staff of the U.S. Securities and Exchange Commission (the "SEC"), on behalf of IOSCO, forwarded for comment an IOSCO paper entitled "Point of Sale Disclosure: Issues Paper" ("issues paper"). The IOSCO Standing Committees on Regulation of Market Intermediaries ("SC3") and Investment Management ("SC5") (the "Joint Group") produced this paper. The Joint Group is seeking comment on the issues paper and intends to submit a report with principles to the IOSCO Technical Committee in February 2009. Comments are due October 1, 2008. The Institute intends to comment.

The Joint Group's project focused on disclosure to retail investors relating to mutual funds and similar products as well as the delivery of disclosure at or prior to the point of sale. The Joint Group describes research findings concerning the disclosure needs and preferences of investors as well as information on existing disclosure and delivery requirements in IOSCO member jurisdictions. In addition, the paper outlines key issues and challenges for regulators. Current disclosure and point of sale initiatives also are briefly described, including the US SEC's 2005 point of sale proposal and the more recent proposal for the summary prospectus. [\[1\]](#) The issues paper states that most jurisdictions require disclosure of information before a transaction is executed. There is also some discussion of issues

associated with intermediary disclosure.

The Joint Group believes that their efforts have produced a sufficient foundation for the development of a report for public consultation, including a set of high level principles on point of sale disclosure. To develop the principles, the Joint Group believes it needs to consider issues in the following areas:

- the effectiveness of disclosure documents;
- factors to be addressed within disclosure documents;
- the use of research with investors to refine the content of disclosure documents; and
- the timing of delivery of disclosure to investors.

If you have any questions about this paper, please contact me at 202-326-5813 (solson@ici.org), Frances Stadler (fstadler@ici.org) or Eva Mykolenko (emykolenko@ici.org).

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[Attachment](#)

endnotes

[1] See Memorandum to SEC Rules Committee No. 20-05, dated March 4, 2005, available at <http://members.ici.org/getMemoPDF.do?file=18631.ICINET.DOC.pdf>; Memorandum to SEC Rules Members No. 149-07, dated November 30, 2007, available at <http://members.ici.org/getMemoPDF.do?file=22002.ICINET.DOC.pdf>.

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