

MEMO# 21663

September 26, 2007

SEC Mixed and Shared Funding Initiative -- Conference Call Scheduled for October 4

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TO: VARIABLE INSURANCE PRODUCTS ADVISORY COMMITTEE No. 20-07 RE: SEC MIXED AND SHARED FUNDING INITIATIVE -- CONFERENCE CALL SCHEDULED FOR OCTOBER 4

SEC staff has informed us that they are reevaluating the need for exemptive relief with respect to mixed and shared funding arrangements. [1] Specifically, the SEC is reviewing alternatives for both a short-term and a long-term solution that would address issues relating to the current exemptions as well as conditions surrounding the rules associated with mixed and shared funding.

We have scheduled a conference call for Thursday, October 4, 2007 at 2:30 pm Eastern time to discuss the SEC's initiative. Susan Nash and Bill Kotapish of the SEC's Division of Investment Management will participate on the call and will make a presentation on the SEC's proposal. The dial-in number for the conference call will be 888-913-9965 and the passcode for the call will be 64468. If you plan to participate on the call, please contact Jennifer Odom by e-mail at jodom@ici.org or by phone at 202-326-5833.

We strongly encourage members to participate on the call. SEC staff is seeking input on several issues relating to current mixed and shared funding exemptive orders. These include: (1) whether any of the relief provided from Sections 9(a), [2] 13(a), 15(a) and 15(b) of the Investment Company Act should be preserved; (2) whether any of the conditions imposed in the exemptive orders are related to the relief provided by Rules 6e-2 and 6e-3(T) and, if so, whether any of the conditions should be preserved; and (3) whether there are any unintended consequences of modifying or eliminating the current exemptive order process.

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[Attachment](#)

endnotes

[1] See Proposals to Improve Investment Company Regulation, Investment Company Institute (May 1, 2002). The Institute's prior recommendations concerning mixed and shared funding can be viewed at http://www.ici.org/policy/comments/02_SEC_40_PACK_LTR and http://www.ici.org/policy/comments/02_SEC_40_PACK_LTR2.

[2] The SEC staff has identified nine scenarios in which they believe paragraph (b)(15) of Rules 6e-2 and 6e-3(T) may affect Section 9(a) of the Investment Company Act. The staff has requested that members consider whether other scenarios exist that support the value of maintaining the Section 9(a) exemptive relief. The staff's scenarios are attached to this memorandum.

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