

MEMO# 24124

February 2, 2010

Draft Institute Letter on IOSCO Point of Sale Disclosure Consultation Report

[24124]

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TO: SEC RULES COMMITTEE No. 6-10
INTERNATIONAL COMMITTEE No. 1-10 RE: DRAFT INSTITUTE LETTER ON IOSCO POINT OF SALE DISCLOSURE CONSULTATION REPORT

As we previously informed you, the International Organization of Securities Commissions ("IOSCO") Technical Committee in November 2009 published a consultation report on Principles on Point of Sale Disclosure (the "Report"). [\[1\]](#) The Report proposes a set of principles designed to assist markets and market authorities when considering point of sale ("POS") disclosure requirements for collective investment schemes ("CIS").

The Institute's draft letter, which we intend to submit on Friday, February 12th, is attached. Please provide your comments to either Susan Olson (solson@ici.org or 202-326-5813) or me (emykolenko@ici.org or 202-326-5837) by Tuesday, February 9th.

The draft letter expresses the following main points:

- We strongly object to principles for disclosure of key information that are limited to CIS; instead, they should be applicable to all investment products offered to retail investors. Investors need clearly disclosed, key information about the range of investment products that may be offered by an intermediary.
- We strongly support the Report's conclusion that POS requirements should not be imposed absent investor research; we believe, however, that such research must focus on all retail investment products and not solely CIS. Accordingly, the Report

should recommend that regulators undertake POS research for all retail investment products prior to the development of any new POS requirements.

- The Report should include a principle stating that regulators should ensure that POS disclosure requirements are designed to minimize disruptions to the sales process to the extent possible.

Eva M. Mykolenko
Assistant Counsel - International Affairs

[Attachment](#)

endnotes

[1] Technical Committee, IOSCO, Principles on Point of Sale Disclosure: Consultation Report (November 2009), available at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD310.pdf>. See also [Memorandum](#) to International Members No. 30-09 and SEC Rules Members No. 128-09, dated November 25, 2009.

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