

MEMO# 6554

January 12, 1995

NON-SIPC STATUS DISCLOSURE REQUIREMENTS

January 12, 1995 TO: BANK BROKER/DEALER ADVISORY COMMITTEE No. 1-95
BROKER/DEALER ADVISORY COMMITTEE No. 1-95 OPERATIONS MEMBERS No. 2-95
TRANSFER AGENT ADVISORY COMMITTEE No. 4-95 RE: NON-SIPC STATUS DISCLOSURE
REQUIREMENTS

As you are aware, the Securities and Exchange Commission's (SEC) recently adopted amendments to Rule 10b-10 under the Securities Exchange Act of 1934, will require disclosure of non-SIPC membership on confirmations, effective April 3, 1995, in the event the broker or dealer transmitting the confirm or clearing or carrying the customer account is not a member of the Securities Investor Protection Corporation (SIPC). To help you comply with this requirement, you will find attached a listing of those registered broker dealers currently excluded from SIPC membership. This list is based on information provided to SIPC by the brokerage industry, however its correctness cannot be guaranteed by SIPC. Since this list will not remain static, we strongly suggest you move to amend/update all current and future selling group agreements with third party broker dealers to require prompt notice of any change to their SIPC status, as this will place the burden of notification on broker dealers who, subsequent to the generation of the attached list (January 11, 1995) claim exclusion from SIPC membership. As noted in our December 23, 1994 memo (Operations Committee 37-94, TAAC 50-94) the Institute continues to urge the SEC to reconsider its position and exempt from the required disclosure those confirmations sent out by or on behalf of a mutual fund distributor or its affiliated transfer agent. We will keep you apprised of developments on this issue Kevin Farragher Director of Operations Distribution & Service

Source URL: <https://icinew-stage.ici.org/memo-6554>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.