

**MEMO# 19998**

May 3, 2006

## **ICI Submits Comment Letter on IRS Form 8300**

©2006 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. [19998] May 3, 2006 TO: AML COMPLIANCE WORKING GROUP No. 13-06 TAX COMMITTEE No. 16-06 TRANSFER AGENT ADVISORY COMMITTEE No. 30-06 RE: ICI SUBMITS COMMENT LETTER ON IRS FORM 8300 As you know, the Internal Revenue Service (IRS) recently published a notice inviting comment on IRS Form 8300.1 Form 8300 is used to report the receipt of more than \$10,000 in cash, foreign currency or certain non-cash instruments in one or more related transactions. The Notice invited comments on, among other things, whether the collection of information on Form 8300 is necessary for the proper performance of the functions of Treasury, whether the information provided on the form has practical utility, and whether there are ways to minimize the burden of the collection of information on respondents. This request for comment is substantively identical to a request for comment in 2003. In response, the Institute submitted the attached letter restating our earlier recommendation that mutual funds and/or their transfer agents not be required to report transactions involving cash equivalents on Form 8300. Our recommendation is based upon a concern that the adoption of a suspicious activity reporting rule for mutual funds will result in some funds being required to report the receipt of certain cash equivalents (i.e., money orders, traveler's checks, cashier's checks, and bank drafts with a face amount of \$10,000 or less) on two separate forms – SAR-SF and Form 8300. We believe that this duplicative reporting is unnecessary, and we provide the IRS with two alternative approaches to the reporting of cash and cash equivalents that would serve the same policy purposes as Form 8300 reporting without requiring duplicative filings. Robert C. Grohowski Senior Counsel - International Affairs Attachment (in .pdf format) 1 See Memorandum No. 19820, dated March 10, 2006.