

MEMO# 10423

October 27, 1998

Institute Memorandum on "Emergency" Pricing Procedures

[10423] October 27, 1998 TO: ACCOUNTING/TREASURERS COMMITTEE No. 47-98
COMPLIANCE ADVISORY COMMITTEE No. 35-98 SEC RULES COMMITTEE No. 107-98 RE:
INSTITUTE MEMORANDUM ON "EMERGENCY" PRICING PROCEDURES

The Institute received several inquiries yesterday when the New York Stock Exchange suspended trading for an hour due to a computer glitch regarding procedures for pricing fund shares when a securities market is closed. In 1996, the Institute circulated a memorandum to members summarizing the pricing requirements under the Investment Company Act of 1940 and SEC staff guidance with respect to past "emergencies." Such "emergencies" include situations when either the fund's office is closed (e.g., a severe snowstorm) or a securities market is closed (e.g., the closing of the Hong Kong Exchange in November 1987). I am enclosing another copy of the memorandum in order to ensure that it will be readily available for your reference in dealing with any future emergency. If you have any questions regarding the attached memorandum or any related issues, please contact me (by telephone at 202/326-5824 or by e-mail at amy@ici.org). Amy B.R. Lancellotta Senior Counsel
Attachment

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