

MEMO# 1284

July 26, 1989

INSTITUTE REQUEST TO POSTPONE B NOTICES

July 26, 1989 TO: TAX COMMITTEE NO. 11-89 UNIT INVESTMENT TRUST COMMITTEE NO. 38-89 CLOSED-END FUND COMMITTEE NO. 29-89 OPERATIONS COMMITTEE NO. 12-89 TRANSFER AGENT SHAREHOLDER ADVISORY COMMITTEE NO. 19-89 RE: INSTITUTE REQUEST TO POSTPONE B NOTICES

As we previously informed you, last month the Institute filed with the IRS a letter commenting on recent amendments to the backup withholding and due diligence regulations and raising once again our principal concerns with these requirements. (See Institute Memorandum to Tax Committee No. 10-89, Unit Investment Trust Committee No. 27-89, Closed-End Fund Committee No. 20-89, Operations Committee No. 11-89, and Transfer Agent Shareholder Accounting Advisory Committee No. 13-89, dated June 22, 1989.) Attached is a letter the Institute has sent to the Commissioner of Internal Revenue and the Assistant Secretary of the Treasury for Tax Policy requesting that the B Notice mailing scheduled for this fall be treated as a "test run" and that all B Notices mailings, including all test runs, be sent in the spring rather than the fall. The letter also describes the operational burdens that will be created by the current B Notice requirements for regulated investment companies (RICs), explains how these burdens would be exacerbated if the B Notices were mailed in the fall and urges reconsideration of several suggestions regarding B Notices previously made by the Institute. We will keep you informed of further developments. Keith D. Lawson Assistant General Counsel Attachment

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