

MEMO# 2645

March 25, 1991

DEPOSITORY TRUST COMPANY'S INTERNATIONAL INSTITUTIONAL DELIVERY SYSTEM

March 25, 1991 TO: ACCOUNTING/TREASURERS COMMITTEE NO. 5-91 RE: DEPOSITORY TRUST COMPANY'S INTERNATIONAL INSTITUTIONAL DELIVERY SYSTEM

As you know, in the early 1980's the Institute assisted Depository Trust Company ("DTC") in its efforts to expand the usage of their Institutional Delivery ("ID") System. Those efforts were quite successful as the ID System is now widely used by mutual funds and other investment advisors. DTC has recently introduced the International Institutional Delivery ("IID") System which is the counterpart of the confirmation/affirmation piece of the ID System for international trading and has again come to the Institute requesting assistance in expanding the usage of the IID System. The enclosed DTC proposal describes the IID System and its benefits, and explains how the Institute's members could help to increase its usage. Basically, DTC is requesting that mutual funds support IID by asking the brokers with whom you do international trades to become participants of IID. At this point the Institute is not taking a position that mutual fund members should "champion" IID, but we would appreciate receiving your firm's view. We recognize that not only is international trading more complex than domestic trading but the competitive and political issues surrounding the use of the IID system, or some other similar system, are also more complex. We are requesting that you provide your organization's viewpoint on this issue by completing the attached questionnaire. Please return the completed questionnaire to the Institute by April 15, 1991. Questions can be directed to the undersigned at (202)955-3547. Thank you in advance for your input. Diane Butler Director of Operations & Fund Custody Enclosures