

MEMO# 8794

April 15, 1997

MAY 21 MEETING ON ISSUER DIVERSIFICATION PROPOSALS

April 15, 1997 TO: TAX COMMITTEE No. 14-97 RE: MAY 21 MEETING ON ISSUER
DIVERSIFICATION PROPOSALS

_____ At its most recent meeting, the Tax Committee briefly considered whether the Institute should request guidance from the Internal Revenue Service stating that (1) repurchase agreements backed by Treasury obligations and/or (2) municipal bonds prerefunded with Treasury obligations are "government securities" for section 851(b)(4) asset diversification test purposes. No clear consensus emerged from the meeting. On Wednesday, May 21, at 2:00 p.m., the Tax Committee will hold a special meeting to consider further whether guidance under section 851(b)(4) regarding the issuer of various instruments should be requested. The meeting will be held in the David Silver Conference Room, on the 12th Floor of the Institute's Office at 1401 H Street, NW, Washington, DC 20005- 2148. Cookies and drinks will be available during the meeting. If you or an alternate plan to attend the meeting, please complete the attached meeting response form and return it to the Institute's Theresa Brice by fax at 202-326-5839. We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachment ATTENDANCE RESPONSE FORM Investment Company Institute Issuer Diversification Proposals Meeting Wednesday, May 21, 1997 Please fax this portion by Friday, May 16, 1997 to Theresa Brice Investment Company Institute, 202-326-5839. YES NO _____ ISSUER DIVERSIFICATION PROPOSALS MEETING - 2:00 P.M.

_____ COMMITTEE MEMBER'S (OR
ALTERNATE'S) NAME _____ COMPANY
NAME Please check here if you need special services due to a disability.