

MEMO# 20486

October 16, 2006

Opportunity to Discuss the New Mutual Fund Suspicious Activity Reporting (SAR) Rule with FinCEN and SEC Staff -- Conference Call on Thursday, October 19

©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. [20486] October 16, 2006 TO: AML COMPLIANCE WORKING GROUP No. 22-06 BROKER/DEALER ADVISORY COMMITTEE No. 42-06 COMPLIANCE ADVISORY COMMITTEE No. 15-06 TRANSFER AGENT ADVISORY COMMITTEE No. 70-06 RE: OPPORTUNITY TO DISCUSS THE NEW MUTUAL FUND SUSPICIOUS ACTIVITY REPORTING (SAR) RULE WITH FINCEN AND SEC STAFF -- CONFERENCE CALL ON THURSDAY, OCTOBER 19 As you know, the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) adopted a new rule that will require mutual funds to report suspicious transactions occurring after October 31, 2006.¹ At 3:30 pm (Eastern) on Thursday, October 19, we will have a conference call to discuss the implementation of the new suspicious activity reporting (SAR) rule with staff from FinCEN and the SEC's Office of Compliance Inspections and Examinations (OCIE). The call provides an excellent opportunity for us to better understand FinCEN's and OCIE's perspectives on compliance with the SAR rule for mutual funds, particularly in contexts where information available to a fund and its transfer agent is limited (e.g., Fund/SERV or omnibus accounts). We expect the call to last 90 minutes, with a substantial amount of time available for questions from conference call participants. To join the call, dial 888-945-5896 and enter the passcode 33246. If you intend to participate in the call, please also RSVP via email to Ruth Tadesse at rtadesse@ici.org. Please note that the call is intended to be an informal dialogue with FinCEN and OCIE staff, and as such is strictly off-the-record. Members of the Institute and its advisory committees and 1 See Memorandum No. 20009, dated May 4, 2006. See also Financial Crimes Enforcement Network; Amendment to the Bank Secrecy Act Regulations - Requirement that Mutual Funds Report Suspicious Transactions, 71 Fed. Reg. 26213 (May 4, 2006). The final rule is also available on FinCEN's web site at http://www.fincen.gov/mutual_fund_sar_final.pdf. 2 working groups are encouraged to participate, but also are asked not to circulate the dial-in information to others. We look forward to speaking with you on Thursday. Robert C. Grohowski Senior Counsel - International Affairs

abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.