

MEMO# 19293

October 25, 2005

SIGNIFICANT OUTCOMES FROM 19TH ANNUAL MEETING OF THE IIFA

©2005 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. [19293] October 25, 2005 TO: INTERNATIONAL INVESTING SUBCOMMITTEE No. 12-05 INTERNATIONAL MEMBERS No. 31-05 INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 27-05 RE: SIGNIFICANT OUTCOMES FROM 19TH ANNUAL MEETING OF THE IIFA Last week, the ICI hosted the 19th annual meeting of fund associations from around the world. 34 fund associations, represented by 75 delegates, attended the meeting this year. There were a number of important outcomes from the meeting. First, the group (referred to as the IIFA) unanimously adopted a statement that included four principles: • Investment funds should be operated at all times in the interest of their investors; • Investors in investment funds should be provided with the information needed for informed investment decisions; • The process by which investment funds are sold by intermediaries should be transparent and have as its goal the provision of suitable advice; and • Investment funds should be able to compete in the marketplace on a level playing field with other savings and investment products. The IIFA also adopted a statement relating to the impact on international account standards on investment funds. The statement stressed the need for convergence of accounting standards in a way that will reflect the unique characteristics of investment funds and will result in more meaningful information for investors. The IIFA formed a new working group to interact with the International Organization of Securities Commissions (IOSCO), particularly at the Standing Committee 5 (SC5) level. SC5 is the investment management committee of IOSCO. It's chair, Hubert Reynier of the Autorité des marchés financiers (AMF) in France, made a presentation to the IIFA during the meeting. The Institute will serve as the first Chair of the newly formed IIFA working group. 2 The full text of the statement of principles, the statement on international accounting standards, and the final communiqué from the meeting are attached. In addition, Institute President Paul Schott Stevens' opening remarks are available on the ICI's public web site at http://www.ici.org/statements/remarks/05_iifa_stevens_spch.html#TopOfPage. Robert C. Grohowski Senior Counsel - International Affairs Attachment (in .pdf format) Note: Not all recipients receive the attachments. To obtain copies of the attachments, please visit our members website (<http://members.ici.org>) and search for memo 19293, or call the ICI Library at (202) 326-8304 and request the attachments for memo 19293.

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