

MEMO# 18859

May 17, 2005

INSTITUTE COMMENT LETTER ON IOSCO'S AML CONSULTATION PAPER

©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. [18859] May 17, 2005 TO: INTERNATIONAL MEMBERS No. 13-05 INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 9-05 MONEY LAUNDERING RULES WORKING GROUP No. 5-05 TRANSFER AGENT ADVISORY COMMITTEE No. 22-05 RE: INSTITUTE COMMENT LETTER ON IOSCO'S AML CONSULTATION PAPER Attached is a comment letter to the International Organization of Securities Commissions (IOSCO) in response to its consultation report on anti-money laundering responsibilities for collective investment schemes (CIS), such as mutual funds. The consultation report was issued earlier this year.¹ In general, the letter supports the report and commends IOSCO's Technical Committee on their work in this area. Despite that general support, however, the draft letter expresses concerns over three aspects of the report: • First, that the report overstates, in certain respects, the responsibility of CIS to verify the identity of beneficial owners of accounts held by intermediaries; • Second, that the report may inappropriately suggest that CIS should be treated like securities firms with respect to the types of information they are expected to collect from investors; and 1 See Memorandum No. 18635, dated March 8, 2005. 2 • Third, that the report is overly prescriptive in the section dealing with the performance of AML responsibilities by other financial institutions or service providers. Robert C. Grohowski Associate Counsel Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 18859, or call the ICI Library at (202) 326-8304 and request the attachment for memo 18859.