

MEMO# 7934

June 5, 1996

SURVEY ON REVISIONS TO FINANCIAL REPORTING REQUIREMENTS

1 See Accounting/Treasurers Committee No. 20-96 dated May 16, 1996. June 5, 1996 TO: ACCOUNTING/TREASURERS COMMITTEE No. 25-96 RE: SURVEY ON REVISIONS TO FINANCIAL REPORTING REQUIREMENTS

As you know, the AICPA Investment Companies Committee is updating the Audit and Accounting Guide - Audits of Investment Companies. In addition, the SEC is drafting changes to Regulation S-X that would implement certain of the AICPA recommendations.¹ The Institutes 1996 Tax & Accounting Conference will include a panel session on these proposed changes to investment company financial reporting requirements. The Tax & Accounting Conference Planning Committee would like to ensure that industry reaction to the proposed changes is included in the panel session. Towards that end, you previously received a survey dated May 3, 1996 which solicited reaction to several of the proposed changes and requested data on certain of your funds. If you have already completed the survey, thank you for your timely response. If you have not yet completed the survey, an additional copy is attached. Please forward your response to the undersigned no later than June 21 at the address below or via facsimile (202/326-5853) or e-mail (smith@ici.com). If you are forwarding your mutual fund and CUSIP data using a Lotus file, please format the file in WK3 format. Please also send a hard copy of the file to the undersigned at the address below. Please note that changes to the SECs financial reporting requirements must first be issued for public comment and be approved by the Commission. Also, any modifications to the Audit and Accounting Guide would be subject to the due process procedures applicable to all new GAAP pronouncements, including clearance through the AICPA Accounting Standards Executive Committee and the Financial Accounting Standards Board. The Institute will distribute the SEC rule proposal and the AICPA exposure draft when they are formally issued for public comment. Gregory M. Smith Director - Operations/ Compliance & Fund Accounting Attachment