

MEMO# 9887

April 29, 1998

DRAFT SECURITIES LENDING PAPER

[9887] April 29, 1998 TO: ACCOUNTING/TREASURERS COMMITTEE No. 21-98 SEC RULES COMMITTEE No. 37-98 TAX COMMITTEE No. 16-98 RE: DRAFT SECURITIES LENDING PAPER

Enclosed is a draft paper on securities lending for your review. The paper was drafted by members of the Securities Operations Subcommittee of the Accounting/Treasurers Committee and other interested parties. The purpose of the paper is to identify the issues that need to be evaluated by a fund company when considering whether or not to initiate a securities lending program for a fund or funds. The paper already reflects comments from ICI's outside counsel, the Securities Operations Subcommittee and ICI staff knowledgeable on the topic. Please provide any comments you may have to Diane Butler, Director - Operations & Fund Custody, at 202/326-5847 or butler@ici.org by May 22, 1998. Your comments will be considered for the final version of the paper which will be distributed broadly to ICI members. Thank you in advance for your input. Donald J. Boteler Vice President - Operations & Training Enclosure

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