

MEMO# 19594

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Paper Developed By the TA CCO Reporting Task Force

©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. [19594] January 12, 2006 TO: CHIEF COMPLIANCE OFFICER COMMITTEE No. 1-06 OPERATIONS COMMITTEE No. 2-06 TRANSFER AGENT ADVISORY COMMITTEE No. 4-06 RE: PAPER DEVELOPED BY THE TA CCO REPORTING TASK FORCE Attached is a paper developed by the TA CCO Reporting Task Force¹ of the Investment Company Institute's Transfer Agent Advisory Committee ("TAAC"). The paper identifies the various types of transfer agent relationship models that are currently used by fund complexes and provides information regarding the types of reporting and support that mutual fund transfer agents may provide to Chief Compliance Officers ("CCOs") to assist them in complying with their obligation under Rule 38a-12 to oversee the transfer agent's operations. The paper is not intended to provide a set of "best practices." Rather, the paper is intended to provide an inventory of current practices and procedures, which are likely to evolve as mutual fund transfer agents gain more experience in working with CCOs and responding to their needs under Rule 38a-1. The TA CCO Reporting Task Force was co-chaired by Charles Hawkins of PFPC and Charlie Ragusa of BFDS. We would like to extend our sincere thanks to Charles and Charlie, as well as to the TAAC members who participated on the Task Force. If you have any questions or comments, please contact the undersigned at 202-326-5850 or at butler@ici.org. Diane M. Butler Director – Transfer Agency & International Operations Attachment (in .pdf format) 1 The list of firms comprising the TA CCO Reporting Task Force is provided in the Appendix to the paper. 2 See Final Rule: Compliance Programs of Investment Companies and Investment Advisers, SEC Release Nos. IA-2204 and IC-26299 (Dec. 17, 2003) ("Adopting Release"), which is available on the SEC's website at: <http://www.sec.gov/rules/final/ia-2204.htm> Copyright © 2006 by the Investment Company Institute