

MEMO# 14040

October 15, 2001

DRAFT SUPPLEMENT TO INSTITUTE VALUATION PAPER

[14040] October 15, 2001 TO: ACCOUNTING/TREASURERS COMMITTEE No. 30-01 SEC RULES COMMITTEE No. 81-01 RE: DRAFT SUPPLEMENT TO INSTITUTE VALUATION PAPER

Attached for your review is a draft paper on mutual fund valuation issues, focusing primarily on issues related to fair valuation of fund portfolio securities in light of recent SEC staff guidance in this area. The draft paper is designed as a supplement to the Institute's 1997 paper on valuation and liquidity issues for mutual funds. It has been drafted with the assistance of a working group comprised primarily of members of the SEC Rules, Accounting/Treasurers, and International Committees. The supplement briefly reviews the statutory and regulatory framework for valuation described in greater detail in the Institute's 1997 paper and summarizes the letters issued by the SEC staff in 1999 and earlier this year concerning valuation. It then discusses the valuation of foreign and domestic portfolio securities in light of these letters and the review of fair valuation methodologies used in that process. Finally, the supplement reviews the responsibilities of fund boards of directors or trustees in the valuation process. Please provide any comments on the attached draft paper by Friday, October 26th. You may direct your comments to me (phone: 202/371-5430 or email: rcg@ici.org) or to Frances Stadler (phone: 202/326-5822 or email: frances@ici.org). You also may fax comments to my attention at 202/326-5841.

Robert C. Grohowski Associate Counsel Attachment (in .pdf format)

Source URL: <https://icinew-stage.ici.org/memo-14040>

Copyright © by the 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.