

MEMO# 8489

December 23, 1996

FORMATION OF TASK FORCE TO DISCUSS MONEY LAUNDERING ISSUES; MEETING ON JANUARY 16TH

1 These include, for example, various regulations under the Bank Secrecy Act, such as rules adopted earlier this year governing certain wire and other funds transfers. 2 These regulations are designed to prohibit transactions by U.S. persons with certain foreign countries, persons and entities deemed to be inimical to the United States. December 23, 1996 TO: COMPLIANCE ADVISORY COMMITTEE No. 36-96 INTERNATIONAL COMMITTEE No. 44-96 SEC RULES COMMITTEE No. 135-96 TRANSFER AGENT ADVISORY COMMITTEE No. 72-96 RE: FORMATION OF TASK FORCE TO DISCUSS MONEY LAUNDERING ISSUES; MEETING ON JANUARY 16TH

At the suggestion of the Institute's SEC Rules Committee, the Institute is forming a task force to discuss issues related to anti-money laundering regulations¹ and regulations issued by the Treasury Department's Office of Foreign Asset Control.² We anticipate that the task force will identify issues that these regulations may raise for the investment company industry, consider how best to address the various issues (e.g., by developing proposed compliance guidelines, seeking exemptive relief in certain areas, discussing issues with and/or seeking interpretive or other guidance from appropriate regulatory authorities, etc.) and then pursue the agreed upon course(s) of action. A list of people who already have expressed interest in participating or having a representative on the Task Force is set forth in Attachment A to this memorandum. The first meeting of the Money Laundering Task Force will be held on Thursday, January 16, at 10:00 a.m., in the Institute's David Silver Conference Room on the 12th floor. Lunch will be served following the meeting. Please complete and return the attached form by Wednesday, January 8th, indicating whether you, or another representative of your firm, would like to serve on the Task Force and whether you (or your designated representative) will attend the meeting and lunch on January 16th. Due to space considerations, attendance at the meeting will be limited to two persons per firm. Additional background information will be provided to Task Force members in advance of the meeting. Frances M. Stadler Associate Counsel Attachments