

MEMO# 13944

September 14, 2001

SEC STAFF PROVIDES RELIEF ALLOWING FUNDS TO RECEIVE PRICING INFORMATION THROUGH AUDITING FIRMS

[13944] September 14, 2001 TO: ACCOUNTING/TREASURERS COMMITTEE No. 28-01 BOARD OF GOVERNORS No. 45-01 PRIMARY CONTACTS - MEMBER COMPLEX No. 63-01 SEC RULES COMMITTEE No. 74-01 RE: SEC STAFF PROVIDES RELIEF ALLOWING FUNDS TO RECEIVE PRICING INFORMATION THROUGH AUDITING FIRMS We understand that, in response to inquiries from some fund groups, the SEC staff has taken the position that funds can receive pricing information through their auditing firms provided that the auditing firms simply act as a conduit for the information (i.e., the firms do not offer any opinion regarding the validity of those prices). To the extent that providing prices in this manner might otherwise violate the auditor independence rule (Rule 2-01 of Regulation S-X), the staff has determined that it is permitted under the "emergency" exception (Rule 2- 01(c)(4)(i)(B)(1) of Regulation S-X). Craig S. Tyle General Counsel

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