

MEMO# 9455

December 2, 1997

INSTITUTE REQUEST FOR CLARIFICATION OF UK POSITION ON USE OF WORLD- WIDE WEB SITES BY INVESTMENT COMPANIES

[9455] December 2, 1997 TO: ADVERTISING SUBCOMMITTEE No. 42-97 INTERNATIONAL COMMITTEE No. 43-97 RE: INSTITUTE REQUEST FOR CLARIFICATION OF UK POSITION ON USE OF WORLD-WIDE WEB SITES BY INVESTMENT COMPANIES

_____. Attached is a copy of a letter the Institute sent to the Financial Services Authority of the UK asking for clarification of the FSA's position on the operation of World-Wide Web sites by investment companies outside the UK. Earlier this year, UK regulators issued guidance stating that an investment advertisement will be deemed "issued" in the UK if it is possible to view the advertisement on a screen in the UK. It is a violation of UK law to issue an advertisement in the UK that has not been approved by an authorized person. The Institute's letter requests the FSA's concurrence that if an investment company located outside the UK assures that certain safeguards are in place, the posting of sales information on the World-Wide Web will not be deemed to violate UK law, even if the information can be viewed on a screen in the UK. The proposed safeguards are, first, that a prominent legend be included making it clear to whom the site information is directed, second, that the Web site not include material that suggests the fund's offering is being directed to, or specifically made available to, UK persons and, third, that the investment company or its sponsor or adviser adopt policies and procedures designed to reasonably ensure that the investment company would not respond to information requests or open accounts from persons in the UK except to the extent provided by UK law. Mary S. Podesta Associate Counsel-International Attachment (in .pdf format)