

**MEMO# 18996**

July 5, 2005

## **CIRCULAR 230 CONFERENCE CALL ON FRIDAY, JULY 8, 2005 AT 1:00 P.M. EDT**

©2005 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. [18996] July 5, 2005 TO: ADVISER DISTRIBUTOR TAX ISSUES TASK FORCE No. 6-05 FIXED-INCOME ADVISORY COMMITTEE No. 17-05 MONEY MARKET FUNDS ADVISORY COMMITTEE No. 15-05 TAX COMMITTEE No. 23-05 RE: CIRCULAR 230 CONFERENCE CALL ON FRIDAY, JULY 8, 2005 AT 1:00 P.M. EDT A conference call has been scheduled for Friday, July 8, 2005 at 1:00 pm EDT to discuss the general application of Circular 230 – rules governing practice before the Internal Revenue Service. The final regulations under Circular 230 became effective June 21, 2005 and apply detailed disclosure obligations to “covered opinions” and other written tax advice. The term “covered opinion” includes written advice that concerns one or more Federal tax issues arising from, among other things, any investment plan or arrangement, a significant purpose of which is the avoidance or evasion of tax if the written advice is a reliance opinion or a marketed opinion.<sup>1</sup> On June 20, 2005, the Institute submitted comments to Treasury requesting modifications to section 10.35 to ensure that the following types of communications are excluded: (1) communications by mutual funds and their affiliates with prospective and current shareholders; (2) internal communications by in-house “practitioners” (as defined in Circular 230) of a mutual fund adviser and its affiliates regarding the tax treatment of the mutual funds that the firm manages; and (3) trade association communications to members.<sup>2</sup> The Institute letter also proposed certain revisions to Circular 230’s definition of “covered opinion” that would tailor the term and prevent the inclusion of many kinds of communications that were never intended to be within the scope of the rules governing such opinions. The purpose of the scheduled conference call is to discuss the impact of the final regulations under Circular 230 on the fund industry and to follow up on the issues discussed in the Institute’s comment letter. If you would like to participate in this conference call, please fill 1 These terms are explained more extensively in the Final Regulations. See Institute Memoranda (18356) to Tax Members No. 50-04, dated December 20, 2004 and (18351) to Fixed-Income Advisory Committee No. 14-04, Money Market Funds Advisory Committee No. 15-04 and Tax Committee No. 39-04, dated December 20, 2004. 2 See Institute Memorandum (18956) to Advisor Distributor Tax Issues Task Force No. 5-05, Fixed-Income Advisory Committee No. 15-05, Money Market Funds Advisory Committee No. 13-05 and Tax Members No. 19-05, dated June 21, 2005. 2 out the attached response form and return it to Ezella Wynn by fax (202/326-5841) or e-mail (ewynn@ici.org). To participate in this call, please dial 877-546-1568 and enter passcode number 68271. Lisa Robinson Associate Counsel Attachment (in .pdf format)

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