

**MEMO# 12881**

December 1, 2000

## **DRAFT PRIVACY COMPLIANCE PAPER**

[12881] December 1, 2000 TO: BROKER/DEALER ADVISORY COMMITTEE No. 27-00 COMPLIANCE ADVISORY COMMITTEE No. 39-00 SEC RULES COMMITTEE No. 129-00 TRANSFER AGENT ADVISORY COMMITTEE No. 63-00 RE: DRAFT PRIVACY COMPLIANCE PAPER As you may know, the Institute has been working with outside counsel and a member working group on a paper that is designed to assist Institute members in complying with SEC Regulation S-P, concerning the privacy of consumer financial information. Attached for your review is a draft paper entitled "Privacy of Consumer Financial Information: Strategies for Mutual Fund Compliance with Regulation S-P." The paper consists of the following parts: 1. An executive summary. 2. Background on Regulation S-P. This part of the draft paper is a detailed summary of the requirements of Regulation S-P. 3. Strategies for compliance with Regulation S-P. This part is intended to provide a more practical guide to some of the considerations involved in complying with the new privacy regulations. 4. Other privacy laws to consider. This part briefly describes other privacy laws that may affect fund complexes. 5. Appendices. The draft paper includes two appendices. The first is a brief tabular comparison of Regulation S-P with the other regulations that implement Title V of the Gramm-Leach-Bliley Act. The second provides the sample notice disclosures set forth in the SEC release adopting Regulation S-P. We would appreciate your comments on any and all aspects of the draft paper. In particular, we request your input on whether the references in the paper to the role of fund boards in privacy compliance are appropriate. For your convenience, we have highlighted these references (which appear on pages 42, 53 and 65) with brackets and boldface type. 2Please provide any comments on the paper to me, Bob Grohowski, or Tami Reed, by Friday, December 15th. You can reach me by e-mail at frances@ici.org, by fax at (202) 326-5827, or by phone at (202) 326-5822. Bob can be reached by e-mail at rcg@ici.org, by fax at (202) 326- 5841, or by phone at (202) 371-5430. Tami can be reached by e-mail at tamara@ici.org, by fax at (202) 326-5828, or by phone at (202) 326-5825. Frances M. Stadler Deputy Senior Counsel Attachment (in .pdf format)