

MEMO# 18788

April 19, 2005

DRAFT INSTITUTE COMMENT LETTER ON IOSCO'S AML CONSULTATION PAPER

©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. [18788] April 19, 2005 TO: INTERNATIONAL COMMITTEE No. 8-05 MONEY LAUNDERING RULES WORKING GROUP No. 2-05 TRANSFER AGENT ADVISORY COMMITTEE No. 18-05 RE: DRAFT INSTITUTE COMMENT LETTER ON IOSCO'S AML CONSULTATION PAPER Attached for your review is a draft comment letter to the International Organization of Securities Commissions (IOSCO) in response to its consultation report on anti-money laundering responsibilities for collective investment schemes (CIS), such as mutual funds. The consultation report was issued in February.¹ In general, the draft letter supports the report and commends IOSCO's Technical Committee on their work in this area. Despite that general support, however, the draft letter expresses concerns over three aspects of the report: • First, that the report overstates, in certain respects, the responsibility of CIS to verify the identity of beneficial owners of accounts held by intermediaries; • Second, that the report may inappropriately suggest that CIS should be treated like securities firms with respect to the types of information they are expected to collect from investors; and • Third, that the report is overly prescriptive in the section dealing with the performance of AML responsibilities by other financial institutions or service providers. Comments are due to IOSCO by May 18, 2005. If you have any comments on the draft letter, please contact me at (202) 371-5430 or rcg@ici.org by Friday, March 6, 2005. Robert C. Grohowski Associate Counsel Attachment (in .pdf format) 1 See Memorandum to International Committee No. 4-05, Money Laundering Rules Working Group No. 1-05, and Transfer Agent Advisory Committee No. 7-05 [18635], dated March 8, 2005.