

**MEMO# 2885**

June 27, 1991

# **MEETING ON REGULATED INVESTMENT COMPANY TAX ISSUES INVOLVING SYNTHETIC SHORT-TERM MUNICIPAL OBLIGATIONS**

June 27, 1991 TO: MONEY MARKET FUNDS AD HOC COMMITTEE NO. 16-91  
ACCOUNTING/TREASURERS COMMITTEE NO. 15-91 TAX COMMITTEE NO. 21-91 RE: MEETING  
ON REGULATED INVESTMENT COMPANY TAX ISSUES INVOLVING SYNTHETIC SHORT-TERM  
MUNICIPAL OBLIGATIONS \_\_\_\_\_ At the  
meeting on synthetic short-term municipal obligations held on June 19, 1991, members  
indicated an interest in discussing the tax implications for regulated investment companies  
("RICs") which purchase and hold synthetic short-term municipal obligations, commonly  
referred to as variable rate trust certificates or VRTC's. The Institute indicated that it would  
prepare a memorandum setting forth and discussing these tax issues. The memorandum  
concerning RIC-related tax issues will be sent shortly. There will be a meeting at the  
Institute at 10:00 a.m. on Tuesday, July 16, 1991, to discuss the issues raised in the  
memorandum. Any new issues can be raised for discussion at that time. Please respond by  
Friday, July 12, 1991, to Ms. Berlauder Barnes at (202) 955-3518 if you will be attending  
the meeting. Lunch will be served after the meeting. David J. Mangefrida, Jr. Assistant  
Counsel - Tax DJM:bmb