

**MEMO# 10588**

December 21, 1998

## **JANUARY 20, 1999 MEETING ON START-UP EXPENSE ISSUE**

1 See Institute Memorandum to Accounting/Treasurers Members No. 14-98, Primary Contacts - Member Complex No. 59-98, Tax Members No. 17-98 and Adviser/Distributor Task Force, dated June 25, 1998. [10588] December 21, 1998 TO: TAX COMMITTEE No. 39-98 ADVISER/DISTRIBUTOR TASK FORCE RE: JANUARY 20, 1999 MEETING ON START-UP EXPENSE ISSUE

Earlier this year, the US Tax Court held that the expenses incurred by FMR in starting up new funds were required to be capitalized and could not be amortized.<sup>1</sup> Recently, FMR filed with the First Circuit Court of Appeals a notice of intent to appeal the Tax Court decision. The Institute intends to file an amicus curiae brief with the First Circuit in support of FMR's appeal. On Wednesday, January 20, 1999, a meeting will be held to discuss a draft of the Institute's brief, which will be circulated in advance of the meeting. The meeting will begin at 10:00 a.m. in the David Silver Conference Room, which is located on the 12th Floor of the Institute's offices at 1401 H Street, NW, Washington DC 20005. Lunch will be served following the meeting. If you plan to attend the meeting, please complete the attached meeting response form and fax it to my assistant, Trish Phillips, at 202-326-5841. Alternatively, you may contact her at 202-218-5560 or pphillip@ici.org. Any questions regarding the start-up issue, the Tax Court's decision, the Institute's brief or the January meeting may be directed to the undersigned at 202-326-5832 or lawson@ici.org. Keith D. Lawson Senior Counsel Attachment