

MEMO# 11398

November 8, 1999

SPONSOR TAX TREATMENT OF NEW FUND CREATION COSTS -- MEETING NOTICE, REVISED DRAFT SUBMISSION, AND DATA REQUEST

1[11398] November 8, 1999 TO: TAX COMMITTEE No. 31-99 TASK FORCE ON
ADVISER/DISTRIBUTOR TAX ISSUES RE: SPONSOR TAX TREATMENT OF NEW FUND
CREATION COSTS -- MEETING NOTICE, REVISED DRAFT SUBMISSION, AND DATA REQUEST

A meeting of the Tax Committee and the Task Force on Adviser/Distributor Tax Issues will be held on Thursday, November 18, 1999 at 2:00 p.m., in the Institute's David Silver Conference Room, on the 12th floor of our offices at 1401 H Street, NW, Washington, DC 20005. If you plan to attend this meeting, please complete the attached response form and e-mail it Naomi Gendler Camper at naomi@ici.org or fax it to her at 202/326-5841. New Fund Creation Cost Issue The meeting's primary focus will be the attached revised draft Institute submission to the IRS with respect to a proposed industry-wide settlement of the treatment of new fund creation costs. In reviewing this draft submission, please focus particularly on the proposal and the factual appendix, to ensure that the proposal is satisfactory and that the facts are accurate. In addition, we have prepared the attached discussion issues -- designed to determine the reasonableness of our draft proposal -- that we would like you to consider before attending the meeting. To the extent that significant difficulties would be encountered in developing precise responses to these questions, we nevertheless would appreciate your best estimates of the answers. Other Issues After the conclusion of the meeting's consideration of the new fund creation cost issue, we will spend any remaining time discussing the status of the IRS' reconsideration of the proper treatment of certain fund distribution costs and the IRS' treatment of cash infusions into money market funds. * * * Please call Naomi Gendler Camper at 202/326-5821 or Keith Lawson at 202/326-5832 if we can provide you with additional information regarding the meeting, the draft submission or the questions. 2Keith Lawson Senior Counsel Attachments