

**MEMO# 19697**

February 8, 2006

# **ICI RESPONSE TO COALITION OF MUTUAL FUND INVESTORS LETTER TO FUND TRUSTEES**

©2006 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. [19697] February 8, 2006 TO: BOARD OF GOVERNORS No. 6-06 INDEPENDENT DIRECTORS COUNCIL 2-06 SEC RULES COMMITTEE No. 7-06 RE: ICI RESPONSE TO COALITION OF MUTUAL FUND INVESTORS LETTER TO FUND TRUSTEES The Institute recently responded to the letter sent by the Coalition of Mutual Fund Investors (CMFI) to a number of mutual fund trustees regarding the use of omnibus recordkeeping by mutual fund intermediaries. The ICI's letter states that the issues raised in the CMFI letter are largely addressed by the SEC's new redemption fee rule. The letter notes that the SEC staff and the fund industry continue to work on implementation issues under the new rule and that the SEC is expected to issue additional guidance relating to the rule in the near future. The ICI's response also emphasizes that fund trustees take seriously their responsibilities to oversee a fund's compliance obligations, including those relating to the use of omnibus accounts, for the protection of all shareholders. A copy of the ICI's letter is attached. Amy B.R. Lancellotta Senior Counsel - Securities Regulation Attachment Attachment (in .pdf format)

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