

**MEMO# 8146**

August 13, 1996

## **FOREIGN MARKET DUE DILIGENCE SURVEY -- SECOND REQUEST**

August 13, 1996 TO: ACCOUNTING/TREASURERS COMMITTEE No. 33-96 INTERNATIONAL COMMITTEE No. 29-96 RE: FOREIGN MARKET DUE DILIGENCE SURVEY -- SECOND REQUEST

On July 11, 1996 you were mailed the Foreign Market Due Diligence Survey developed by the Securities Operations Subcommittee. Responses to the survey were due by August 2, 1996. The purpose of the survey is to determine what current mutual fund industry practices are with respect to minimizing the risks of investing in foreign markets with local subcustodians and brokers. The survey also seeks to determine how fund investment advisers deal with operational issues in both established and emerging foreign markets. In order for the survey to produce reliable results on industry due diligence practices, it is critical that we achieve a high level of participation by the organizations represented on the Accounting/Treasurers Committee. The organizations that have responded to the survey to date are Alger, Bank of America, Colonial, Fidelity, Janus, John Hancock, Merrill Lynch, Miller Anderson & Sherrerd, Smith Barney, Strong, USAA, Van Eck, Vanguard, and Waddell & Reed. If your organization is not listed above, please have the appropriate person or persons in your organization complete the survey and return it no later than August 23, 1996 by mail or facsimile to: Diane Butler Investment Company Institute 1401 H Street, N.W. Washington, D.C. 20005 Phone - 202/326-5847 Fax - 202/326-5853 -2- If sufficient response is received, a report will be produced based on the aggregate results of the survey and will be distributed to the Accounting/Treasurers Committee, the International Committee, the Securities Operations Subcommittee and the Custodians Advisory Group. The ICI will keep individual responses strictly confidential. Questions on the survey may be directed to Diane Butler at 202/326-5847. Thank you for your assistance in making this important industry survey a success. David Moffat Diane Butler Chairman - Securities Director - Operations Operations Subcommittee & Fund Custody