

MEMO# 6467

December 21, 1994

INSTITUTE GUIDE TO SELLING INVESTMENT COMPANY SHARES ABROAD

ACTION REQUESTED December 21, 1994 TO: INTERNATIONAL COMMITTEE No. 23-94 RE:
INSTITUTE GUIDE TO SELLING INVESTMENT COMPANY SHARES ABROAD

_____ At the International Committee meeting on November 16, 1994, it was suggested that the Institute compile a country by country guide to help members identify the circumstances under which U.S. fund shares can be sold in foreign countries. The guide would serve as a preliminary research tool for members, not a definitive reference. We understand that while certain members may have such information for one or more countries, it would be useful for the Institute to organize this information into a guide that could be updated and expanded over time. Members attending the November 16 committee meeting expressed their willingness to share the information they have obtained and suggested that the Institute ask all committee members to provide the Institute with the information they have obtained. The initial version of the guide will be based on this information, supplemented by any information obtained by the Institute. Preliminarily, we believe the guide should cover the following topics for countries of interest to members for which information currently is available or can be obtained: 1) rules governing private placements or other exemptions permitting investment companies to make sales in a particular country, including information on: the conditions of any exemptions, including any numerical or dollar limits, special rules for sales to institutions, and liability-shifting provisions; any restrictions on solicitations in connection with these sales or on sales to existing shareholders or customers; any filing or notification requirements; (2) the circumstances under which the public offer of U.S. investment company shares would be permitted; (3) whether sales of investment company shares under the circumstances above would require broker-dealer registration; (4) whether any tax requirements in the country would make it impractical or impossible to sell U.S. fund shares in the country under the circumstances above. - 2 - The Institute is asking members of the International Committee to share with us any information they have obtained that would help us prepare an initial version of the guide. We will use this information to identify appropriate countries and begin to assemble the relevant information. Information that is published in the guide will not be attributed to members and, if members wish, they can provide the information to the Institute on a confidential basis. Please submit information to the Institute by January 27, 1995 and include the name and phone number of the person to call if we have questions about the material. Thank you for your assistance. If you have any questions, I can be reached by phone at 202- 326-5826 and by fax at 202-326-5839. Mary S. Podesta Associate Counsel - International

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