

NEWS RELEASE

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ICI Supports SEC's Proposal to Enhance Disclosure of Fund Distribution Costs and Potential Conflicts of Interest, April 2004

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Washington, April 12, 2004 - The Investment Company Institute today expressed its support for the SEC's proposal to require broker-dealers to provide mutual fund investors with a new confirmation and point-of-sale disclosure document. The SEC [proposal](#) would require the disclosure of details about distribution-related costs and potential conflicts of interest that may arise between broker-dealers and their customers in connection with fund transactions.

The Institute noted its long-standing commitment to enhanced 'point-of-sale' disclosure of revenue-sharing arrangements beginning in 1997 and expressed most recently in a February 23, 2004 [letter](#) to the SEC.

"The Institute on several occasions has called for and supported requiring enhanced disclosure of revenue-sharing arrangements to better enable investors to assess and evaluate a broker-dealer's recommendation to purchase shares of covered securities," said Amy Lancellotta, Acting General Counsel, in the Institute's comment letter to the SEC.

The letter further stated that, "The new confirmation and point-of-sale disclosure document proposed by the Commission would achieve these goals by greatly enhancing the disclosure provided to fund investors of the distribution-related costs they will bear. In particular, specific information relating to the amount of any sales loads and asset-based sales charges (commonly referred to as '12b-1 fees' would, for the first time, be provided to investors at the point of sale, (i.e., prior to their making an investment decision), as well as in the confirmation they receive on the transaction."

This site includes a section devoted to fund disclosure issues.

abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.