

## COMMENT LETTER

October 26, 2010

# ICI Files Comment Letter Supporting Revised FINRA Rule Relating To Settlement Dates on Confirmations (pdf)

October 26, 2010 Elizabeth M. Murphy, Secretary Securities and Exchange Commission 100 F Street, NE Washington, DC 20549-1090 Re: File No. SR-FINRA-2009-058; Proposed Revisions to FINRA's Confirmation Rule 2232 Dear Ms. Murphy: The Investment Institute<sup>1</sup> is writing to express our support for adoption in the consolidated FINRA rulebook of proposed FINRA Rule 2232, relating to customer confirmations.<sup>2</sup> This rule was originally published for comment in September 2009.<sup>3</sup> As originally proposed, it would have required all confirmations – without regard to the security involved in the transaction being confirmed – to include the settlement date of the transaction. The Institute filed a comment letter on the proposal expressing concern with the revised rule's impact on confirmations issued in connection with mutual fund transactions.<sup>4</sup> As discussed in our letter, requiring inclusion of the settlement date on mutual fund confirmations would be quite disruptive to existing processing systems at considerable cost. Also, because mutual fund transactions may settle on the same date as the transaction, providing investors the settlement date would serve no purpose. We were quite pleased that FINRA concurred with our assessment and filed an amendment to the proposed rule, which was approved by the Commission on an accelerated basis. With this

<sup>1</sup> The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$11.51 trillion and serve over 90 million shareholders.

<sup>2</sup> See Securities and Exchange Commission Release No. 34-63150 (October 21, 2010).

<sup>3</sup> See Securities and Exchange Commission Release No. 34-60669 (September 14, 2009).

<sup>4</sup> See Letter from the undersigned to Elizabeth M. Murphy, Secretary, U.S. Securities and Exchange Commission, dated Oct. 9, 2009. Ms. Elizabeth M. Murphy October 26, 2009 Page 2 of 2 amendment, the settlement date provisions of proposed Rule 2232 will not apply to transactions involving mutual funds or variable annuities. As a result of this revision, the Institute now supports adoption of proposed FINRA Rule 2232. The Institute commends the staff of FINRA and the Commission for addressing concerns relating to mutual fund confirmations. We also appreciate FINRA tailoring its proposed rule to ensure that the information it requires be provided to investors is both meaningful and not unnecessarily disruptive to existing processing systems. Sincerely, /s/ Tamara K. Salmon Senior Associate Counsel

---

**Source URL:**

*<https://icinew-stage.ici.org/CommentLetter/ICIFilesCommentLetterSupportingRevisedFINRARuleRelatingToSettlementDatesonConfirmationspdf>*

Copyright © by the 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.