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United States Treasury.

I would like to respectfully suggest a change in the proposed Unregistered Investment Company Regulations. Specifically, Proposed Reg. Section 103.132(a)(6)(ii)(B) should be revised by adding, before the semicolon, the following words: "or any beneficial ownership in such company held directly or indirectly by or for either an individual acting in an investment advisory capacity in respect of such company, any employee of an investment advisory entity rendering investment advisory services to such company, any family member of any such individual or employee, or the successor owner of any such disregarded beneficial ownership".

Many investment funds formed by families have non-family investment advisors. These would not technically qualify as "family companies" as described in Section 2(a)(51)(A)(ii) of the Investment Company Act of 1940 because the description in Section 2(a)(51)(A)(ii) of the Investment Company Act of 1940 does not exclude the interest of non-family investment advisors. The proposed regulations recognize the improbability that a family company would act as a vehicle for money laundering, and this should apply whether or not advisory personnel also own beneficial interests in the unregistered family investment company.

There is precedent for this approach in Investment Company Act Regulation Section 270-3c-5 which excludes the interests of "Knowledgeable Employees" (as there defined) for purposes of Investment Company Act Sections 3(c)(1) and Sections 3(c)(7) in determining the exclusions under those Sections. It is appropriate that comparable recognition be given for purposes of the Bank Secrecy Act to the similar reason for disregarding interests held by or investment advisory personnel who act with reference to a family company.

Thank you for your consideration.

Yours very truly,

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