

ICI Says Investors Will Benefit from Rules Making College Savings Plan Ads Consistent with Mutual Fund Performance Ads, September 2004

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Washington, DC, September 10, 2004 - The Institute today expressed its support for consistent rules governing college savings plans and mutual funds, noting that investors stand to benefit from a consistent approach.

In [comments](#) to the Municipal Securities Rulemaking Board (MSRB), which regulates college savings plans, the Institute voiced its support for an [MSRB proposal](#) to increase consistency between its advertising rules and the Securities Exchange Commission's mutual fund performance advertising rules. The Institute also expressed support for the MSRB's proposal to update the guidance on the sales of 529 plan securities to out-of-state investors.

"Tailoring the MSRB's advertising rule to provide for consistency of regulation of performance advertising between 529 plan securities and mutual fund shares will better serve the investing public and municipal securities dealers," stated Tamara K. Salmon, Senior Associate Counsel with the ICI.

Investment company securities and municipal fund securities share many common features in their offer and sale, including their advertisement to investors. Applying similar standards of regulation reduces the confusion to investors as well as the burdens conflicting regulatory requirements impose upon persons offering and selling both types of securities.

The Institute further recommends that the MSRB revise its proposal to protect investors from inappropriate reliance on stale performance information by requiring performance advertisements to provide a website or telephone number where an investor can obtain more current month-end performance information.