

# Certificate of Beneficial Ownership of Retail Fund Shares



Pursuant to Rule 2a-7 under the Investment Company Act of 1940, the **retail funds** identified below must have policies and procedures reasonably designed to limit all **beneficial owners** of the retail fund to **natural persons**. These policies and procedures permit the retail funds to use the amortized cost or penny rounding methods to maintain a stable share price.

Under a retail fund's procedures, **securities intermediaries** may be required to certify periodically that natural persons beneficially own all retail fund shares held in their **accounts**. The Securities and Exchange Commission has indicated that "although it is a fund's obligation to satisfy the retail fund definition, an intermediary could nonetheless be held liable for violations of other federal securities laws, including the antifraud provisions, where institutional investors are improperly funneled into retail funds." (Release No. IC-31166, 79 FR 47736, 47800 n.715.)

The undersigned securities intermediary hereby certifies (to the best of its knowledge after a commercially reasonable inquiry) that:

1. With respect to each retail fund account it maintains for customers who are not securities intermediaries:
  - a. it has policies and procedures reasonably designed to limit the beneficial owners of each account to natural persons;<sup>1</sup>
  - b. its customer identification program has established that the beneficial owner(s) of any account are natural persons;
  - c. [it has entered an appropriate social code for each account opened through an automated interface;]<sup>2</sup>
  - d. it promptly redeems any shares from an account that it believes are not beneficially owned by a natural person; and
  - e. it has maintained and will continue to maintain the account in compliance with such policies and procedures.
2. With respect to each retail fund account it maintains for another securities intermediary:
  - a. the other securities intermediary has agreed or otherwise represented that it has policies and procedures reasonably designed to limit the beneficial owners of each account to natural persons;<sup>1</sup> and
  - b. it believes that the other securities intermediary maintains the account in compliance with such policies and procedures.

<sup>1</sup> These would include general procedures to comply with applicable requirements of the retail fund's registration statement.

<sup>2</sup> This may be appropriate for a fund that relies primarily on social codes to determine beneficial ownership.

3. It will promptly notify the retail funds in the event that this certification ceases to be true and correct.

The undersigned individual hereby certifies that he or she is authorized to provide this certification.

---

Date

Name of Securities Intermediary – Printed

---

Signature of Authorized Signatory

---

Print Name and Title of Authorized Signatory

**Definitions:**

*Account:* Any account maintained with a retail fund, including without limitation: (i) any account maintained with a retail fund through the National Securities Clearing Corporation (a “networked account”), (ii) any customer’s account maintained directly with a retail fund’s transfer agent or principal underwriter, (iii) any commingled account maintained for the exclusive benefit of a securities intermediary’s customers and (iv) any other account maintained in the name of a securities intermediary or its nominee.

*Beneficial owner:* A natural person is the beneficial owner of a share if he or she, directly or indirectly, in his or her personal capacity, through any contract, arrangement, understanding, relationship, or otherwise, has or shares investment power, which includes the power to dispose or to direct the disposition of such share. This includes the right to acquire investment power over a share within 60 days, including but not limited to any right pursuant to the power to revoke a trust, discretionary account, or similar arrangement or pursuant to the automatic termination of a trust, discretionary account or similar arrangement.

Please refer to [the retail fund’s prospectus and statement of additional information] [Annex A]<sup>4</sup> for a description of retirement and other savings plans, trusts and other indirect investments in retail funds beneficially owned by natural persons.

*Natural person:* An individual human being.

*Retail funds:* [Identify the retail funds]

*Securities intermediary:* A person, including without limitation a bank, broker or administrator, that in the ordinary course of its business maintains accounts for others and is acting in that capacity.

<sup>3</sup> This is the definition from the Annotated Prototype Policy and Procedures for Retail Money Market Funds document available on ICI’s website at [www.ici.org/ops\\_mmf\\_reform](http://www.ici.org/ops_mmf_reform). Alternatively, a retail fund could incorporate by referencing a section of its prospectus or statement of additional information defining beneficial ownership by a natural person.

<sup>4</sup> Annex A should be used if the prospectus and/or statement of additional information do not provide a complete description of accounts deemed beneficially owned by a natural person.

## ANNEX A<sup>5</sup>

A determination that natural persons are the beneficial owners of shares held in an account may be based on any of the following circumstances.

1. **Representation of Beneficial Ownership.** A natural person represents, in an account application or agreement or otherwise, that he or she is the beneficial owner of shares held in an account.
2. **Customer Identification Programs.** The accountholder has provided a Social Security number (SSN), an individual taxpayer identification number, a passport number and country of issuance, an alien identification card number, or the number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard, pursuant to a customer identification program.
3. **Social Codes.** The account qualifies for a National Securities Clearing Corporation social code if it has been:
  - a. categorized as “retail” in the Money Market Fund Social Code Categorization Matrix, available at [www.ici.org/pdf/15\\_ops\\_matrix\\_code.pdf](http://www.ici.org/pdf/15_ops_matrix_code.pdf), or
  - b. categorized as “retail/institutional” in such matrix and a natural person has investment power over the account.
4. **Federal Tax Forms.** The accountholder has provided one of following IRS forms:
  - a. a Form W-9 indicating the accountholder is an individual, sole proprietor, or single-member LLC and (i) the Form W-9 provides a SSN or (ii) a natural person has investment power over the account;
  - b. a Form W-9 indicating the accountholder is an estate or trust and (i) the Form W-9 provides a SSN, (ii) the account is registered in the name of or otherwise for the benefit of an estate or a revocable personal trust, or (iii) a natural person is a trustee with investment power over the account; or
  - c. a Form W-8BEN.

---

<sup>5</sup> Administrative accounts are omitted, as they would be maintained by the fund’s investment adviser, distributor, or one of their affiliated persons. Feeder and VA funds are excluded because they would probably invest directly with the retail fund.

5. **Retirement and Other Individual Savings Plans.** The account has been established by a retirement plan, savings plan, or trust in which participants, settlors, trustees, or beneficiaries who are natural persons have investment power over the underlying plan accounts. These include, without limitation:
- a. participant-directed defined contribution plans under Section 3(34) of the Employee Retirement Income Security Act;
  - b. individual retirement accounts under Section 408 or 408A of the Internal Revenue Code (IRC);
  - c. simplified employee pension arrangements under Section 408(k) of the IRC;
  - d. simple retirement accounts under Section 408(p) of the IRC;
  - e. custodial accounts under Section 403(b)(7) of the IRC;
  - f. deferred compensation plans for government or tax-exempt organization employees under Section 457 of the IRC;
  - g. Keogh plans under Section 401(a) of the IRC;
  - h. Archer medical savings accounts under Section 220(d) of the IRC;
  - i. college savings plans under Section 529 of the IRC; or
  - j. health savings account plans under Section 223 of the IRC.
6. **Escheatment Accounts.** A state authority has established the account to hold the retail fund's shares that become subject to the state's unclaimed property or escheatment laws.
7. **Other.** A securities intermediary has reasonably determined that natural persons are the beneficial owners of shares held in an account based on the applicable facts and circumstances.