

March 28, 2007

**VIA COURIER**

Nancy M. Morris, Esquire  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Request for Interpretive Guidance on Implementation of FASB Interpretation No. 48 by  
U.S. Registered Investment Companies and Withdrawal of Petition for Rulemaking

Dear Ms. Morris:

Fidelity Investments ("Fidelity"), Massachusetts Financial Services Company ("MFS") and OppenheimerFunds, Inc. ("OppenheimerFunds") respectfully request that the Commission provide written interpretive guidance relating to the implementation of Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48")<sup>1</sup> by investment companies registered under the Investment Company Act of 1940, as amended ("Funds"). In connection with this request, we hereby withdraw our petition to extend the effective date of FIN 48 and for additional relief filed with the Commission on December 22, 2006.<sup>2</sup>

We submitted our petition late last year, as the original effective date for FIN 48— January 2, 2007 for some Funds— was fast approaching and a number of issues and challenges remained unresolved. The Investment Company Institute ("ICI") had filed a separate submission earlier in

---

<sup>1</sup> FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (Jun. 2006) ("FIN 48").

<sup>2</sup> Request for Rulemaking under the Investment Company Act of 1940 to Extend the Effective Date at Least Six Months for the Application of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") to Investment Companies under the Investment Company Act of 1940, as Amended, and to Address other Issues Related to the Application of FIN 48 to Such Investment Companies *submitted by* Stephen D. Fisher, Senior Vice President & Deputy General Counsel, Fidelity Management & Research Company; Eric Roiter, Senior Vice President & General Counsel, Fidelity Management & Research Company; Maria Dwyer, Chief Regulatory Officer, Massachusetts Financial Services Company; Scott Huebl, Vice President, Tax, Oppenheimerfunds, Inc. *available at* <http://www.sec.gov/rules/petitions/2006/petn4-528.pdf> ("Rulemaking Request").

December seeking delay of FIN 48's effective date for Funds, as well as additional guidance and relief (the "ICI Letter").<sup>3</sup> On December 22, the Commission's staff ("Staff") responded to the ICI Letter by issuing a no-action letter acknowledging the difficulties FIN 48 raises for Funds and granting a six month delay (the "Staff Letter").<sup>4</sup> The Staff Letter also stated the Staff's expectation "that funds will make good use of this additional time to carefully assess all issues related to the implementation of [FIN] 48."

We greatly appreciate the Staff's responsiveness to the industry's concerns in this matter and the substantial guidance already provided in the Staff Letter. Because the Staff Letter provided the single most critical aspect of the relief we requested— delay of the impending effective date— we hereby withdraw our December 22, 2006 petition.

We also take to heart the Staff's exhortation to "make good use of this additional time." As valuable as the guidance provided in the Staff Letter may be, we believe that Funds continue to need additional guidance from the Commission in order to use this time appropriately. Indeed, we submit that the involvement of the Commission in this process is vital to preventing the occurrence, at the conclusion of the delay period, of a number of the harmful effects that the ICI and we outlined in urging a delay, which effects the Staff recognized in granting that request.

This letter sets forth the issues we believe still need to be addressed in order to prevent adverse effects from FIN 48 and suggests the additional guidance we respectfully request the Commission to provide.

---

<sup>3</sup> Letter from Paul Schott Stevens, President, Investment Company Institute, to The Honorable Christopher Cox, Chairman, Securities and Exchange Commission, and Robert H. Herz, Chairman, Financial Accounting Standards Board (Dec. 11, 2006) *available at* [http://www.sec.gov/divisions/investment/cox\\_herz\\_letter.pdf](http://www.sec.gov/divisions/investment/cox_herz_letter.pdf) ("ICI Letter").

<sup>4</sup> *Investment Company Institute*, SEC No-Action Letter (Dec. 22, 2006) *available at* [http://www.sec.gov/divisions/investment/letter\\_mutual\\_fund\\_fin\\_48.htm](http://www.sec.gov/divisions/investment/letter_mutual_fund_fin_48.htm) ("Staff Letter"). The Staff Letter stated that the Staff would not recommend enforcement action to the Commission under Sections 11(a), 16(c), 22(a), 23(b) and (c), 20, 61(a) and 63(2) and (3) of the Investment Company Act of 1940, as amended (the "1940 Act") and Rule 22c-1 thereunder against any Fund based solely on the Fund's implementation of FIN 48 under the timetable set forth in the Staff Letter, which would commence on June 29, 2007.

