

ICI Comments on SEC's Money Market Fund Reforms

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Measures Provide Meaningful Protection for Investors

Washington, DC, January 27, 2010 - ICI President and CEO Paul Schott Stevens issued the following statement following the Securities and Exchange Commission's adoption of new rules and amendments to regulations governing money market funds under the Investment Company Act of 1940:

"The mutual fund industry supports the SEC's action today to make money market funds more resilient in the face of extraordinary market conditions, such as we saw in the fall of 2008. The SEC's amendments to Rule 2a-7 will impose tight new standards for the liquidity, maturity, and credit quality of money market funds' holdings. These and other changes will provide significant additional protections and will benefit money market fund investors.

"ICI will remain in close dialogue with the SEC and other regulators while they consider further changes to money market fund regulation. We will urge them, however, not to take steps that would undermine money market funds' value to investors or the significant role that these funds play in the U.S. economy. Money market funds serve as an essential cash management tool for millions of investors, and as a critical source of funding for state and local governments, federal agencies, banks, and businesses. In particular, we will continue to oppose strongly any move that would directly or indirectly require money market funds to abandon the \$1.00 fixed net asset value that has been a defining feature of these funds. Investors and issuers in the money market have filed extensive comments with the Commission, and they have been almost unanimous in pointing out the serious damage that floating these funds' NAV could inflict on investors, markets, and the economy.

"The Commission and its staff have put in countless hours working on money market fund issues. We appreciate their efforts as they work to implement these expansive new rules."

For further materials on money market funds, including The Report of the Money Market Working Group, visit [ICI's resource page on money market funds](#).