

ICI Statement on CFTC Swaps Execution Facility Proposal

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Washington, DC, March 1, 2013 - Investment Company Institute General Counsel Karrie McMillan issued the following statement today in response to efforts by Commodity Futures Trading Commissioner Mark Wetjen to modify the CFTC's proposal on swaps execution facilities (SEFs):

"We are pleased that Commodity Futures Trading Commissioner Mark Wetjen has added his voice in favor of moderating pending regulatory proposals to regulate swap execution facilities. While we continue to believe that fund managers are well suited to determine the number of dealers to whom they send a request, we believe Commissioner Wetjen's approach is an improvement over the CFTC proposal.

"Providing more flexibility to investors in the swaps market would benefit investors and, consistent with the intent of the Dodd-Frank Act, would encourage swap trading on SEFs, instead of reducing liquidity and pricing efficiency. Of particular concern to mutual funds and their 90 million individual shareholders is the proposed CFTC requirement that a request for quote be sent to five or more dealers. Such a requirement would likely lead to information leakage and increased potential for front-running, resulting in higher trading costs for investors."

ICI submitted a [statement for the record](#) on swaps for a June 2011 hearing before the U.S. Senate Subcommittee on Securities, Insurance, and Investment.