IDC Independent Directors Council

Promoting Excellence in Fund Governance

# ICI Welcomes SEC’s Money Market Fund Reforms

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**Washington, DC, June 24, 2009** -*ICI President and CEO Paul Schott Stevens issued the following statement about the Securities and Exchange Commission’s proposed reforms for money market fund regulation, which the Commission announced today on a unanimous vote:*

> “The Investment Company Institute appreciates the SEC’s timely focus on critical issues for money market funds. The Commission’s proposals today can improve standards for credit quality, liquidity and maturity for holdings of money market funds. ICI strongly supports these goals, and we believe the Commission is on the right track to an appropriate solution that protects investors by strengthening the money market and money market funds.
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> “The Commission’s proposal will request comment on altering the current regime of the $1 stable net asset value (NAV) for money market funds. ICI continues to strongly oppose a move to floating NAVs because such a change would be so unpopular with investors that it would likely push them into riskier, less-regulated products. Our concerns about a floating NAV are detailed in ICI’s *Report of the Money Market Working Group*, issued in March.
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> “In the last 30 years, money market funds have become an increasingly essential cash management tool for millions of investors, both individual and institutional, and a critical source of liquidity for the U.S. money market, providing households and businesses increased access to financing at a lower cost. Today, they play a central role in the U.S. economy. Strengthening the money market and making money market funds more resilient are vital policy goals. Retaining the basic framework for money market funds while strengthening regulation of these important investment products is key, and we look forward to reviewing the details of the SEC’s proposals and commenting on them. The Commission and its staff have put in countless hours working on money market fund issues since last fall and crafting today’s proposal. We deeply appreciate their efforts and timely attention to these issues.”