

MEMO# 25213

May 23, 2011

Draft Comment Letter on IOSCO Principles on Suspension of Redemptions in Collective Investment Schemes

[25213]

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TO: INTERNATIONAL COMMITTEE No. 13-11
INTERNATIONAL INVESTING SUBCOMMITTEE No. 8-11 RE: DRAFT COMMENT LETTER ON
IOSCO PRINCIPLES ON SUSPENSION OF REDEMPTIONS IN COLLECTIVE INVESTMENT
SCHEMES

The Institute has drafted a comment letter responding to the consultation report on Principles on Suspension of Redemptions in Collective Investment Schemes issued by the Technical Committee of the International Organization of Securities Commissions (“IOSCO”) in March. [\[1\]](#) The report reviews how different jurisdictions’ regulatory regimes address the suspension of redemptions by open-ended collective investment schemes and proposes principles for assessing the quality of regulation and industry practices concerning suspensions of redemptions.

The Institute’s letter expresses general support for the principles, but explains that the principles and accompanying text should be revised in certain places to make clear that the laws of some jurisdictions may prohibit the suspension of redemptions, or severely limit the circumstances under which the responsible entity may suspend redemptions, and therefore certain principles and text would not fully apply. The letter describes the approach to the suspension of redemptions for open-ended funds under U.S. law, and highlights potential issues with the principles and the accompanying text.

The comment letter will be filed on Friday, May 27th. Please provide any comments you have to the draft letter to me (emykolenko@ici.org or 202-326-5837) by Thursday afternoon (May 26th).

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[Attachment](#)

endnotes

[1] The Report is available at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD349.pdf>.

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