

MEMO# 28365

September 8, 2014

Comment Letter Submitted in Response to IOSCO Consultation Report on Reducing Reliance on Credit Rating Agencies

[28365]

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TO: FIXED-INCOME ADVISORY COMMITTEE No. 15-14
ICI GLOBAL REGULATED FUNDS COMMITTEE No. 8-14
INTERNATIONAL MEMBERS No. 30-14
INVESTMENT ADVISER MEMBERS No. 28-14
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 22-14
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 18-14
SEC RULES MEMBERS No. 35-14
SMALL FUNDS MEMBERS No. 21-14 RE: COMMENT LETTER SUBMITTED IN RESPONSE TO
IOSCO's CONSULTATION REPORT ON REDUCING RELIANCE ON CREDIT RATING AGENCIES

Attached is our comment letter submitted in response to the consultation report issued by the International Organization of Securities Commissions ("IOSCO") titled "Good Practices on Reducing Reliance on CRAs in asset management" (the "Consultation"). [\[1\]](#) The Consultation, prepared by IOSCO Committee 5 on Investment Management, seeks information about the views and practices of investment managers, institutional investors, and other interested parties, with a view to developing, later this year, a final set of good practices on reducing reliance on external credit ratings in the asset management industry.

Informed to a large extent by our member calls, our letter supports IOSCO's efforts to set forth good practices for investment managers to consider with respect to their use of credit ratings. However, we recommend that, rather than seeking to broadly discourage reliance per se, IOSCO focus on offering suggestions for reducing inappropriate over-reliance on credit ratings.

We will keep you informed of further developments in this area.

Matthew Thornton
Assistant Counsel

[Attachment](#)

endnotes

[1] Available at www.iosco.org/library/pubdocs/pdf/IOSCOPD442.pdf. See Institute [Memorandum](#) No. 28189, dated June 16, 2014, for a summary of the Consultation.

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