

MEMO# 24686

November 4, 2010

SEC Requests Comment on President's Working Group Report on Money Market Fund Reform Options

[24686]

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TO: ACCOUNTING/TREASURERS MEMBERS No. 36-10
BANK, TRUST AND RECORDKEEPER ADVISORY COMMITTEE No. 47-10
BROKER/DEALER ADVISORY COMMITTEE No. 54-10
FIXED-INCOME ADVISORY COMMITTEE No. 25-10
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 56-10
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 43-10
OPERATIONS COMMITTEE No. 36-10
SEC RULES MEMBERS No. 113-10
SMALL FUNDS MEMBERS No. 68-10
TRANSFER AGENT ADVISORY COMMITTEE No. 74-10 RE: SEC REQUESTS COMMENT ON
PRESIDENT'S WORKING GROUP REPORT ON MONEY MARKET FUND REFORM OPTIONS

As we previously informed you, [\[1\]](#) the President's Working Group on Financial Markets (PWG) recently issued a report considering potential regulatory changes to mutual funds designed to address systemic risk (the "Report"). [\[2\]](#) In the Report's Executive Summary, the PWG requested that the newly-established Financial Stability Oversight Council consider the options presented in the Report and identify and pursue those "most likely to materially reduce MMFs' susceptibility to runs." The Report also indicated that the Securities and Exchange Commission, as the regulator of MMFs, would seek comment on the Report. The SEC has now published its request for comment. [\[3\]](#)

Specifically, the Commission requests comments on the options described in the Report both individually and in combination. It requests that commenters address the effectiveness of the options in mitigating systemic risks associated with money market funds, and their potential impact on money market fund investors, fund managers, issuers of short-term debt and other stakeholders. It also requests comments on other issues that may be relevant to further money market fund reform, such as other approaches for lessening systemic risk not identified in the Report. Finally, the Commission urges commenters to submit empirical data and other information in support of their comments.

Comments are due by January 10, 2011.

Mara Shreck
Associate Counsel

endnotes

[1] See Institute Memorandum [24647](#), dated October 22, 2010.

[2] The Report is available at
<http://treas.gov/press/releases/docs/10.21%20PWG%20Report%20Final.pdf>.

[3] President's Working Group Report on Money Market Fund Reform, Request for Comment, SEC Release No. IC-29497 (Nov. 3, 2010), available at
<http://www.sec.gov/rules/other/2010/ic-29497.pdf>.

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