

MEMO# 24276

April 30, 2010

ICI Draft Checklist for Repo Investors in the Event of a Dealer Insolvency

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TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 16-10 RE: ICI DRAFT CHECKLIST FOR REPO INVESTORS IN THE EVENT OF A DEALER INSOLVENCY

As you know, ICI is a member of the Task Force on Tri-Party Repo Infrastructure (“Task Force”), which was formed in September 2009 under the auspices of the Payments Risk Committee, a private sector body sponsored by the Federal Reserve Bank of New York. The Task Force’s objective is to develop a set of recommendations for improving and mitigating risks related to tri-party repo transactions. As a contribution to this effort, ICI has developed a checklist for investors of repurchase agreements in the event of a dealer insolvency. The checklist is designed primarily to detail the steps a cash investor (e.g., money market fund) would take in order to liquidate securities subject to a repurchase agreement with a dealer that becomes insolvent after entering into the repo.

Comments on the draft checklist should be sent in writing by email to the undersigned at jheinrichs@ici.org by Friday, May 7.

Jane G. Heinrichs
Senior Associate Counsel

[Attachment](#)

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