

**MEMO# 30937**

November 6, 2017

## **ICI Submits Letter to SEC Requesting Liquidity Rule Compliance Delay**

[30937]

November 6, 2017 TO: ICI Members  
Investment Company Directors SUBJECTS: Compliance  
Disclosure  
Exchange-Traded Funds (ETFs)  
Fund Accounting & Financial Reporting  
Fund Governance  
Investment Advisers  
Operations  
Portfolio Oversight  
Risk Oversight  
Transfer Agency RE: ICI Submits Letter to SEC Requesting Liquidity Rule Compliance Delay

ICI submitted a letter to the SEC on Friday,[\[1\]](#) requesting that the SEC adjust the compliance schedule for the liquidity rule's asset classification and related requirements as soon as possible, for the amount of time the SEC needs to ease compliance with those requirements. At a minimum, we asked that the SEC delay these requirements by at least one year, even if the SEC determines not to amend the rule.[\[2\]](#)

ICI submitted a letter to SEC Chairman Clayton in July, asking that the SEC delay the compliance schedule for the liquidity rule's asset classification and related requirements as soon as possible, providing the SEC with time to propose and finalize targeted rule amendments.[\[3\]](#) Our most recent letter supplements the July letter, by providing information and data that support delay.

Among other things, the letter provides detailed information from a September 2017 ICI member survey about (i) members' ability to comply with the rule by the current compliance dates, and (ii) the one-time and ongoing costs they expect to incur to comply with the rule's bucketing and reporting requirements. The letter summarizes respondents' views on vendor readiness; explains why "vendor readiness" and "fund readiness" are not one and the same; details the time and work involved for fund complexes to select and onboard vendors once vendors' products are sufficiently mature; and outlines all additional "bucketing-contingent" implementation work that remains for funds after they complete these prior steps.

Dorothy M. Donohue  
Acting General Counsel

Matthew Thornton  
Assistant General Counsel

**endnotes**

[1] Available at: [https://www.ici.org/pdf/17\\_ici\\_sec\\_liquidity\\_ltr\\_supp.pdf](https://www.ici.org/pdf/17_ici_sec_liquidity_ltr_supp.pdf).

[2] Presently, most funds must comply with the liquidity rule and related reporting requirements by December 1, 2018. The compliance date for fund complexes with less than \$1 billion in net assets is June 1, 2019.

[3] Available at: [https://www.ici.org/pdf/liquidity\\_sec\\_clayton\\_ltr.pdf](https://www.ici.org/pdf/liquidity_sec_clayton_ltr.pdf).

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.