

MEMO# 24440

July 26, 2010

ICI President and CEO Delivers Opening Address at Crane's Money Fund Symposium

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TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 29-10 RE: ICI PRESIDENT AND CEO DELIVERS OPENING ADDRESS AT CRANE'S MONEY FUND SYMPOSIUM

Today, ICI President and CEO Paul Schott Stevens delivered the opening address at Crane's Money Fund Symposium. In the speech, which is attached, Mr. Stevens describes the multi-layered approach that has been adopted since September 2008 to make money market funds more resilient in the face of financial crisis:

- The amendments to Rule 2a-7's risk-limiting conditions on credit quality and maturity;
- More frequent disclosure of money market funds' holdings;
- The new liquidity requirements, reinforced by know-your-customer and stress-testing rules;
- The new authority granted to money market fund boards to halt a run and implement a fair and orderly liquidation; and
- Our openness to other ideas, including creation of a liquidity facility that would provide a mutual pool of liquidity, to deal with times of market stress.

The speech also reiterates money market funds' continued strong opposition to the notion of forcing these funds to abandon their fundamental feature—the stable per-share value. We are pleased to report that a number of key groups representing America's businesses and state and local governments have rallied in opposition to any suggestion that regulators would force money market funds off their stable \$1.00 net asset value. These include:

- The National Association of State Treasurers;

- The Government Finance Officers Association;
- The National Association of State Auditors, Comptrollers, and Treasurers
- The National Association of Corporate Treasurers;
- The Association for Financial Professionals;
- Financial Executives International; and
- The U.S. Chamber of Commerce

In addition, more than 40 businesses or other institutional clients have sent or signed onto letters to the Treasury Department or the Securities and Exchange Commission opposing any proposal to require floating the value of money market funds.

As Mr. Stevens notes, we are pleased with the progress we have made, with the assistance of so many of you, in responding to the challenges raised for money market funds by the financial crisis. We will continue to work diligently to make these funds more resilient.

Jane G. Heinrichs
Senior Associate Counsel

[Attachment](#)

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