

**MEMO# 10967**

May 11, 1999

## **REVISED BMA REPO TRADING PRACTICES GUIDELINES**

\* See Memorandum to Money Market Funds Advisory Committee No. 3-99 and SEC Rules Committee No. 24-99, dated April 5, 1999. [10967] May 11, 1999 TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 5-99 SEC RULES COMMITTEE No. 34-99 RE: REVISED BMA REPO TRADING PRACTICES GUIDELINES

As we previously informed you, The Bond Market Association's ("The BMA") Funding Division's Trading Practices Committee issued Repo Trading Practice Guidelines relating to Year 2000 contingency planning.\* The ICI expressed concern to The BMA about the potentially adverse impact the Guidelines could have on the amount of liquidity available to the repo market in late 1999 and early 2000. The BMA has revised the guidance notes and the Guidelines in an effort to accommodate our concerns. The most significant change is the new second paragraph of the guidance notes, which clarifies that the Guidelines are primarily intended to affect discretionary repo activity, and that any impact that the Guidelines might have on overnight activity is intended to be minimal. A copy of the revised Guidelines is attached.

Amy B.R. Lancellotta Senior Counsel Attachment

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