

MEMO# 3298

November 26, 1991

COMMISSIONER ROBERTS' REMARKS AT INSTITUTE CONFERENCE ON CREDITORS' RIGHTS ISSUES

November 26, 1991 TO: MONEY MARKET FUNDS AD HOC COMMITTEE NO. 30-91
INVESTMENT ISSUES COMMITTEE NO. 20-91 RE: COMMISSIONER ROBERTS' REMARKS AT
INSTITUTE CONFERENCE ON CREDITORS' RIGHTS ISSUES

SEC Commissioner Richard Y. Roberts delivered the keynote speech at the Institute's Conference on Creditors' Rights Issues for Investment Companies held on November 12, 1991. In his remarks, Commissioner Roberts addressed the need for further study of the operation of the corporate, municipal and government markets. Specifically, Commissioner Roberts addressed the need for (1) increased enforcement and surveillance activities of the fixed income markets by the Commission and the self regulatory organizations, and (2) improved price transparency in the debt markets. He commented that the Commission and the industry have undertaken efforts to improve the availability of information in and the efficiency of the debt markets. With respect to industry efforts, Mr. Roberts described the rulemaking petition submitted by Fidelity Management & Research Company on debt tender offers and the proposed resolution of the National Federation of Municipal Analysts to require municipal issuers to indicate to investors whether or not they will provide secondary market disclosure. In connection with this proposal, he stated that the need for current information in the secondary market was highlighted for him by the problems experienced by tax-exempt money market funds holding variable rate demand notes that were issued by Mutual Benefit Life Insurance and that he intends "to recommend that the staff of the Commission give some thought to the importance of current information concerning issuers of variable rate demand notes as they consider amendments to the regulations governing tax-exempt money market funds." A copy of Commissioner Roberts' remarks is attached. Amy B.R. Lancellotta Associate General Counsel Attachment