

MEMO# 13942

September 12, 2001

MONEY MARKET FUNDS

[13942] September 12, 2001 TO: BOARD OF GOVERNORS No. 44-01 PRIMARY CONTACTS - MONEY MARKET FUNDS No. 1-01 ACCOUNTING/TREASURERS COMMITTEE No. 27-01 SEC RULES COMMITTEE No. 73-01 RE: MONEY MARKET FUNDS As you know, the U.S. equity markets will be closed tomorrow, September 13th and may also be closed on Friday, September 14th. We understand that some money market funds plan to be open tomorrow to process various types of transactions. A number of money market fund prospectuses state that the fund will be open only when the NYSE is open. We have had informal discussions with the SEC staff on the issue of whether such funds could be open for business even though the NYSE will be closed. The staff has advised us that it would be permissible for such funds to be open, and that the staff would not take any action against them. The staff stated that funds that do decide to open when the NYSE is closed should take all reasonable steps to inform their shareholders that they will be open. In addition, funds should sticker their prospectuses as soon as practicable. We will continue to post updates on the ICI's member website regarding the status of the markets and other issues as information becomes available. Matthew P. Fink President

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