

MEMO# 33445

April 20, 2021

IDC Files Letter on Potential Money Market Fund Reforms

[33445]

April 12, 2021 TO: Investment Company Directors SUBJECTS: Money Market Funds RE: IDC Files Letter on Potential Money Market Fund Reforms

IDC today filed with the SEC the attached comment letter regarding the recent report of the President's Working Group on Financial Markets. The PWG report highlights the March 2020 market events caused by the COVID-19 pandemic and outlines various reform measures that policy makers could consider, individually or in combination, to improve the resilience of money market funds and broader short-term funding markets.[\[1\]](#) IDC's comment letter emphasizes that fund independent directors—including those who oversee money market funds—have an interest in ensuring that investors have the opportunity to invest in products that meet their financial needs.

Importantly, IDC expresses support for reform efforts that strengthen money market funds against adverse market conditions for the protection and benefit of investors, so long as their essential characteristics are preserved, and they can remain a viable option in the marketplace. At the same time, IDC urges caution against any reform proposals that, while intended to enhance the resilience of money market funds, would have the effect of changing their key characteristics. Reform efforts that proceed in a vacuum, without taking into account the underlying asset class, could result in unintended consequences, to the detriment of fund shareholders.

Lisa C. Hamman
Associate Managing Director
Independent Directors Council

[Attachment](#)

endnotes

[\[1\]](#) See Securities and Exchange Commission (SEC) Release No. IC-34188; File No. S7-01-21 (February 4, 2021) attaching the Report of the President's Working Group on Financial

Markets Overview of Recent Events and Potential Reform Options for Money Market Funds
(December 2020) (PWG Report), *available at*
<https://www.sec.gov/rules/other/2021/ic-34188.pdf>.

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