

MEMO# 34722

December 23, 2022

Draft ICI Outline on Liquidity-Related Portion of ICI's February Comment Letter

[34722]

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TO: Chief Compliance Officer Committee
Chief Risk Officer Committee
Liquidity Rule Implementation Working Group
SEC Rules Committee
Small Funds Committee RE: Draft ICI Outline on Liquidity-Related Portion of ICI's February Comment Letter

The release containing the SEC's proposed liquidity rule, swing pricing, hard close, and Form N-PORT reporting amendments has been published in the Federal Register, and comments are due to the SEC by February 14.[\[1\]](#)

Linked below is an outline of ICI's draft response to the liquidity-related portions of the proposal (i.e., the proposed amendments to Rule 22e-4 and the liquidity-related Form N-PORT items). We plan to distribute similar draft outlines on the proposal's swing pricing, hard close, and Form N-PORT components in early January. We then will circulate a draft letter in early February and file by February 14. We will have more calls on these topics in January.

In the attached draft outline, we oppose almost all the proposed liquidity-related changes and provide supporting rationales. Also, we:

- Offer alternative recommendations with respect to the proposed minimum 10% highly liquid investment minimum (HLIM) and bank loan funds generally; and
- Include several prompts where we would appreciate member feedback to further elaborate on certain points.

We very much welcome your written feedback (matt.thornton@ici.org), and we also will schedule a call in early January to discuss this outline.

Matthew Thornton
Associate General Counsel

Notes

[1] Open-End Fund Liquidity Risk Management Programs and Swing Pricing; Form N-PORT Reporting, SEC Release Nos. 33-11130; IC-34746, 87 Fed. Reg. 77172 (Dec. 16, 2022), available at www.govinfo.gov/content/pkg/FR-2022-12-16/pdf/2022-24376.pdf. See ICI Memo #34347, dated November 11, 2022, for a detailed summary of the proposal.

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