

## NEWS RELEASE

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# ICI and ICI Global Disappointed with IOSCO Report on Money Market Fund Regulation

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**Washington, DC, October 9, 2012** - Today, ICI President and CEO Paul Schott Stevens and ICI Global Managing Director Dan Waters responded to [IOSCO's report on money market funds](#) that includes a number of regulatory recommendations.

"It is disappointing that IOSCO's report on money market funds endorses the false notion that constant net asset value (CNAV or "stable") money market funds are more susceptible to runs than variable NAV (VNAV or "floating") money market funds. This claim is contrary to empirical evidence and analysis of the history of CNAV and VNAV money market funds, including the 2008 financial crisis. This misinformed claim fuels flawed regulatory proposals, including options of imposing capital requirements and redemption holdbacks, and a strongly expressed preference for floating or VNAV funds. These are similar to proposals that the U.S. Securities and Exchange Commission declined to pursue. As ICI research has shown and as hundreds of investors in the U.S. have told the SEC, these proposals would destroy the utility of money market funds, harming the economy and retail and institutional investors alike.

"We are also surprised that IOSCO is proceeding with such a significant policy recommendation without consensus from its Board, an action without precedent in IOSCO's history. The SEC, the regulator of more than 50 percent of the global money market fund assets, has not endorsed this report. It is a matter of concern that IOSCO has chosen to depart from its consensus approach, particularly on an issue of such global economic importance.

"We will remain engaged in this debate going forward. The IOSCO report includes some recommendations that could provide additional safeguards without destroying the fundamental characteristics that have made money market funds so valuable in the economy. We regret, however, that the report failed to include any recommendations that would improve the transparency of money market fund portfolio holdings for the benefit of investors and regulators. We will continue to provide analysis and insights to IOSCO and other regulators in hopes of shaping the debate with the best outcome for investors and the global economy."

ICI and ICI Global have been long engaged in the money market fund regulatory debate in the U.S. and globally, including [hosting with other associations a money market fund](#)

[summit in Brussels](#) last week. For more information on money market fund regulations and ICI research, please visit the [ICI Money Market Fund Resource Center](#).

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