

NEWS RELEASE

September 4, 2013

ICI Global and ICI Disappointed with EU Proposal for Money Market Fund Regulation

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London, 4 September 2013 - *Today, ICI Global Managing Director Dan Waters and ICI General Counsel Karrie McMillan made the following statement about the European Commission's proposal for the regulation of money market funds published today.*

"ICI and ICI Global support additional regulation that will strengthen money market funds in the European Union and protect their investors. But any new rules must be created through a transparent process supported by strong research and public dialogue. Unfortunately, the proposal released today neither serves investors nor meets those basic standards for rulemaking."

"In particular, it's troubling that the proposal would impose a 3 percent capital requirement for constant net asset value money market funds—a proposal that two major bodies have already rejected. Both the European Systemic Risk Board and the U.S. Securities and Exchange Commission have cited concerns about the ongoing cost of capital requirements and the possibility that capital requirements could drive many, if not most, money market fund sponsors out of the business, thereby depriving investors, issuers, and economies of the benefits these funds provide. The 3 percent capital NAV buffer is simply economically infeasible, operationally complex, and impracticable."

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