

ICI Commends SEC Approval of Credit Rating Agency Rules

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Investors Will Benefit by Improved Disclosure, Transparency

Washington, DC, December 3, 2008 - The Investment Company Institute commends the U.S. Securities and Exchange Commission's adoption of final rules today to increase the transparency of registered credit-rating agencies. The Institute continues to encourage further improvements in this area and looks forward to reviewing and commenting on the SEC's additional proposals.

"By amending its rules to improve the rating process, the Commission seeks to make credit ratings more useful tools for all investors, including funds," said ICI President and CEO Paul Schott Stevens. "We share that goal, and we welcome reforms that will make the rating process more transparent and objective and that will disclose potential conflicts that could play a role in a credit rating agency's determination of a rating."

The SEC rule amendments deal with registered credit-rating agencies, also known as nationally recognized statistical rating organizations (NRSROs). The new provisions improve investor and other public access to the factors that an agency uses to establish ratings and address conflicts of interest by, for example, prohibiting agencies from rating securities when the agency has made recommendations to an issuer on the structure and packaging of the instrument.

ICI is the national trade association for mutual funds, exchange-traded funds, closed-end funds, and unit investment trusts. The Institute was an active participant in legislative activity that led to the passage of the Credit-Rating Agency Reform Act of 2006 and has worked to ensure that the Act's provisions are fully implemented.