ICI VIEWPOINTS
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ICI's Response to "Money Market Fund Reform Options"

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We've just filed a comment letter with the Securities and Exchange Commission addressing the reform options outlined in the President's Working Group on Financial Markets (PWG) Report on "Money Market Fund Reform Options."

Our letter is long and detailed, but it flows from a few simple principles. Namely, given the tremendous benefits money market funds provide to investors and the economy, we feel it is imperative to preserve this product's essential characteristics. We also stress the need to stay focused on the objective policymakers are seeking to achieve: to strengthen money market funds even further against adverse market conditions and enable them to meet extraordinarily high levels of redemption requests.

On the latter point, we propose a new, private facility to provide a liquidity backstop for prime money market funds—those investing in high-quality, short-term money market instruments, including commercial paper—as the most promising solution to bolster the resilience of these funds in times of severe market stress.

Besides reading our letter, you can learn more about the liquidity facility in our Q&A on ICI's proposed private emergency liquidity facility for prime money market funds. We've also posted a quick overview of the letter, our key points on our opposition to floating net asset values, and highlights from our examination of other reform options considered by the PWG.

- Read ICI's letter.
- Read ICI's press release on the letter.
- Visit ICI's money market funds resource center.
- Read more comments on "Money Market Fund Reform Options" at the SEC's website.
- Browse more recent ICI comment letters.

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