NEWS RELEASE
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ICI: SEC Has Missed the Mark in Money Market Fund Rulemaking

Washington, DC; July 12, 2023—Investment Company Institute (ICI) President and CEO Eric Pan released the following statement regarding the Securities and Exchange Commission's (SEC) vote to adopt money market fund reforms.

"The SEC has missed the mark by forcing money market funds to adopt an expensive and complex mandatory fee on investors. There is no precedent for such a fee framework. Money market fund resiliency is an important issue that deserves full consideration. However, today's decision does not seem to be a logical outworking from the proposal. The introduction of this mandatory fee sidelines a fund's fiduciary board of directors in favor of a one-size-fits-all solution.

"The removal of the tie between minimum liquidity thresholds and fees and gates is a positive step—one we have long supported. We also supported a reasonable increase in daily and weekly liquid asset requirements, although the Commission has adopted an excessive threshold. We do applaud the Commission's recognition that swing pricing is not an appropriate regulatory tool.

"Yet the good work of the Commission is immediately undermined by the introduction of mandatory fees along with overly strict liquidity requirements. A significant new measure such as this should have been re-proposed by the SEC, with greater detail and allowing for public comment. That would lead to the thorough analysis that the rulemaking process demands. Markets and investors are better served by a regulatory process that is transparent, robust, and evidence driven."

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