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Investors Want Money Fund Liquidation Help
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The Coalition of Mutual Fund Investors has called on the Securities and Exchange Commission and the U.S. Department of the Treasury to beef up investor protections under the Treasury's money market fund temporary guarantee program. The SEC has issued a temporary interim final rule offering relief from certain aspects of the Investment Company Act for money market funds that opt into the program, which is intended to help them keep a share price above \$1. The SEC plans to smooth liquidations if funds break the buck.

The CMFI said the SEC and Treasury can protect investors where funds are liquidated by applying the intermediary information-sharing provisions of Rule 22c-2. "While the intention of Rule 22c-2 was to improve information sharing within [omnibus] accounts...the rule does not restrict either the frequency or the purpose for requesting this information," said Niels Holch, executive director of the CMFI, in a Dec. 14 letter to the SEC. The rule could therefore be used to improve the guaranteed payment process for money market funds that face liquidation, he added.