

Poll: Push for Money Fund Reform Is Lost Cause

By [Danielle Sottosanti](#) , *Ignites*, August 29, 2012

If other regulatory organizations pick up the SEC's torch for additional money fund reforms, they'll be fighting in vain, according to a majority of *Ignites* readers.

Roughly 63%, or 157 respondents, say there's "no political or regulatory will" to make additional reforms to money funds, making that the most popular response to Tuesday's poll. By comparison, 37%, or 94 voters, say there are "enough powerful interests behind the reforms to make them a reality."

Those opposing views come after [Securities and Exchange Commission](#) chair Mary Schapiro decided last week to withdraw the reform proposals because of lack of majority support from her fellow commissioners, [as reported](#). The fund industry has argued against the reform options that the SEC was considering, a floating net asset value (NAV) or capital buffer tied to a redemption restriction.

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"The industry may have won a battle, but the war isn't over. The focus is now going to shift to the Federal Reserve and to the [Financial Stability Oversight Council](#) (FSOC), both of which have considerable regulatory powers to address systemic risks to the capital markets and to taxpayer interests," writes Niels Holch, executive director of the [Coalition of Mutual Fund Investors](#), in an e-mail response.

The money fund reform options that the SEC was considering would have had "too many unintended consequences," according to Holch. Thus, it's "probably healthy that the SEC has to go back to the drawing board" and can consider other proposals, he notes. "I am sure the SEC is not finished with its consideration of this issue either, so I would not be surprised if a compromise position is developed after some time has passed."