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May 15, 2017

Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland

Re: Guidelines: Identification and management of step-in risk

Dear Sirs and Mesdames:

ICI Global¹ appreciates the opportunity to comment on the Basel Committee on Banking Supervision's ("BCBS" or "Committee") second consultation on a framework for identifying and addressing step-in risk for banks ("Second Consultation").²

Responding to the Committee's initial consultation last year, ICI Global raised concerns about the possible treatment of regulated funds under the proposed framework.³ Our letter explained the many reasons why regulated funds⁴ sponsored by banks or bank affiliates—both regulated money market funds and regulated stock and bond funds—are unlikely to present significant step-in risk and therefore should lie outside the scope of the framework. It also discussed

¹ ICI Global carries out the international work of the Investment Company Institute, serving a fund membership that includes regulated funds publicly offered to investors in jurisdictions worldwide, with combined assets of US\$21.0 trillion. ICI Global seeks to advance the common interests and promote public understanding of regulated investment funds, their managers, and investors. Its policy agenda focuses on issues of significance to funds in the areas of financial stability, cross-border regulation, market structure, and pension provision. ICI Global has offices in London, Hong Kong, and Washington, DC.

² BCBS, *Consultative Document: Guidelines, Identification and management of step-in risk* (March 2017), available at <http://www.bis.org/bcbs/publ/d398.htm>. The Committee views the framework as "near final" but is accepting public comment on "any potential issues that require clarification." Second Consultation at 1.

³ Letter to BCBS from Dan Waters, Managing Director, ICI Global (March 17, 2016) ("Initial Letter"), available at <https://www.iciglobal.org/pdf/29778.pdf>.

⁴ The term "regulated funds" includes "regulated US funds" (or "US mutual funds" where appropriate), which are comprehensively regulated under the Investment Company Act of 1940 ("Investment Company Act"), and "regulated non-US funds," which are organized or formed outside the US and substantively regulated to make them eligible for sale to retail investors (e.g., funds domiciled in the European Union and qualified under the UCITS Directive ("UCITS")).

why a bank regulatory capital charge to address presumed step-in risk from a regulated fund would be inappropriate and conflict with US law.⁵

In the Second Consultation, the Committee appears to be moving in a better direction, both in its general approach and specifically with regard to regulated funds. In discussing possible indicators of step-in risk, the BCBS correctly points to an agency relationship (such as that which exists between a regulated fund and its bank sponsor) as a “counterexample”—in other words, a situation indicating an absence of step-in risk. The Committee likewise suggests that certain types of funds may not pose such risks, including index funds, ETFs and other “passive” investment funds, and funds with variable net asset values (*e.g.*, open-end mutual funds). As an additional counterexample of step-in risk, the Committee points to another fundamental characteristic of regulated funds—that the entity is “subject to a robust disclosure regime under a regulatory regime that sets out the risks to be absorbed by investors.” And in terms of addressing identified step-in risk, the Committee has rejected an automatic, Pillar 1 capital or liquidity charge in favor of an approach that would let banks (and their supervisors) determine the appropriate response to any risk not addressed by other mitigating factors.

Notwithstanding these helpful improvements, the Second Consultation does not adequately distinguish between bank relationships with unconsolidated entities that pose significant step-in risk and bank relationships with regulated funds, where step-in risk is remote. It fails to account for the significant post-crisis reforms to regulated money market funds, which ICI Global and other commenters described in detail and which sufficiently mitigate the risk of step-in by bank sponsors of these funds. Further, the Second Consultation suggests—erroneously and without citing any support—that regulated funds investing in less liquid assets pose heightened “run risk” during periods of liquidity stress and thus increase the potential for step-in.

In this letter, we discuss the shortcomings of the Second Consultation as regards regulated money market funds and regulated stock and bond funds. We urge the Committee to clarify the framework so that it fully and accurately accounts for the regulatory and structural characteristics of regulated funds.

I. Post-Financial Crisis Reforms Sufficiently Mitigate Step-In Risk Associated with Regulated Money Market Funds

The Second Consultation begins by asserting that “[w]ith its proposed framework, the Committee does not seek to address specific examples from the past but rather to apply more generic lessons about risk related to banks’ connections with unconsolidated entities.”⁶ We do not believe this objective is adequately reflected in the Second Consultation’s treatment of money market funds. To the contrary, the discussion emphasizes instances of sponsor support during the global financial crisis while downplaying or ignoring the considerable reforms to regulated money market funds that have been put in place since then—reforms that sufficiently mitigate the risk of step-in by a bank sponsor.

⁵ See 12 United States Code § 1844(c)(3)(C).

⁶ Second Consultation at 1.

On page one of the Second Consultation, in a section describing the objective for this framework, the Committee observes that “prominent examples of credit or liquidity support provided by banks were observed during the crisis, including for . . . money market funds.” It then twice cites to funds redeemable at constant net asset values as entities that could present step-in risk.⁷ Finally, the framework expressly calls for consideration of “historical dependence”—the fact of previous instances of sponsor support for money market funds—as an indicator of step-in risk going forward.⁸

Nowhere does the Second Consultation acknowledge that regulated money market funds in the United States, Europe and elsewhere now are subject to much stricter requirements than those in place in 2008. This is surprising, because the Committee’s initial consultation discussed in some detail the money market fund reforms adopted by the US Securities and Exchange Commission (“SEC”) in 2014, citing them as an initiative that “tackles” the impact of step-in risk.⁹ The Initial Consultation also cited to reforms under consideration in Europe, including a ban on sponsor support for certain money market funds, as a possible “collective rebuttal” that would negate the need for further analysis. (The EU legislative process for formal finalisation of these reforms—including the ban on sponsor support—is expected this month.)

Moreover, the comment process on the Initial Consultation alerted the Committee to additional post-crisis standards that have enhanced the resiliency of regulated money market funds. These include an earlier set of robust requirements adopted by the SEC in 2010, and regulatory and industry guidelines applicable to European money market funds. Our Initial Letter contains a detailed summary of the post-crisis reforms in the United States and Europe.¹⁰

Further compounding the problem, the Second Consultation lacks clarity as to how banks (with oversight from national supervisors) should account for these post-crisis reforms in applying the Committee’s proposed framework. We use the SEC’s 2010 and 2014 reforms to illustrate.

- On page 3, the Committee acknowledges that “specific jurisdictions have taken measures that might mitigate or even eliminate step-in risk in certain cases.” This is certainly true of the SEC’s reforms to regulated money market funds. Immediately thereafter, the Second Consultation says that such “local rules” are considered in the framework as potential collective rebuttals. Yet the Committee’s narrow view on what should constitute a collective rebuttal¹¹ might not accommodate the SEC reforms, which focus on enhancing

⁷ See *id.* at 6 (discussion of liquidity stress/first-mover advantage indicator) and 10 (discussion of accounting disclosures indicator).

⁸ This “indicator” of step-in risk gives us considerable pause, because the consultation asserts that “in certain situations, one indicator alone may be sufficient to trigger the identification of step-in risk.” Second Consultation at 7.

⁹ BCBS, *Consultative Document: Identification and measurement of step-in risk* (Dec. 2015), available at <http://www.bis.org/bcbs/publ/d349.htm> (“Initial Consultation”) at 5.

¹⁰ Initial Letter, *supra* note 3, at 11-15.

¹¹ Second Consultation at 7 (“Only a law or regulation, which is clearly enforceable, of general application and which explicitly prohibits the provision of support, can be considered as a collective rebuttal.”).

the resiliency of regulated money market funds rather than prohibiting the provision of support.¹²

- On page 4, in summarizing the structure of the framework for banks' self-assessments, the Committee states that banks are to assess entities (other than those identified as immaterial to the bank or subject to collective rebuttals) "against the step-in risk indicators including potential mitigants (see Section 3)." Section 3, which begins on page 7, "describes the indicators banks should use in identifying entities bearing step-in risk for the bank." Among the indicators listed is "regulatory restrictions and mitigants," which in our view should be interpreted broadly, and include the SEC reforms. In describing the indicator, however, the Committee mentions only regulations that "restrict...a bank's ability and/or propensity to support an entity on terms that are unfavourable to the bank."¹³ It does not appear to contemplate regulations, like the SEC reforms, which mitigate the risk that a regulated money market fund would have any need for support.
- On page 11, the Committee instructs that "[a] bank's approach to step-in risk management and measurement should be sensitive to the residual risk, ie after taking into account of possible risk mitigants. Banks should consider the degree and effectiveness of any mitigants for step-in risk...." This broader statement appears to allow for consideration of the mitigating effects of the SEC reforms, but it is unclear how it fits together with the statements discussed in the previous two bullet points.

We strongly recommend that any final framework contain a more balanced discussion of regulated money market funds, specifically acknowledging the degree to which step-in risk in this area has been mitigated since the global financial crisis.¹⁴ Without a clearer statement along these lines, the framework may well bias the views of national bank supervisors in reviewing a bank's assessments regarding regulated money market funds. We likewise urge the Committee to expand its concept of collective rebuttals or otherwise indicate that any entity not presenting significant step-in risk should be excluded from this framework.¹⁵

¹² It should be emphasized, however, that SEC rules require public disclosure of any sponsor support to a regulated US money market fund for a period of 10 years—a requirement that, for the regulated fund industry, is a strong deterrent to providing such support.

¹³ Second Consultation at 11.

¹⁴ The FSB has acknowledged that risks associated with money market funds have been or are being handled. See FSB, Consultative Document, *Proposed Policy Recommendations to Address Structural Vulnerabilities from Asset Management Activities* (22 June 2016), available at <http://www.fsb.org/wp-content/uploads/FSB-Asset-Management-Consultative-Document.pdf> at 1 n.2 ("Money market funds (MMFs) are excluded from the scope of this document. In light of the policy recommendations developed by the FSB and IOSCO, regulatory reforms with respect to MMFs have been implemented (or are currently in process of being implemented) in many jurisdictions to address financial stability issues that arose during the 2007-09 global financial crisis.").

¹⁵ See also Initial Letter, *supra* note 3, at n. 41.

II. Regulated Stock and Bond Funds are Unlikely to Present Step-In Risk

The Second Consultation likewise lacks clarity as to the appropriate treatment of regulated stock and bond funds in a framework designed to identify entities whose weakness or failure could prompt a bank sponsor to step in. On the one hand, the Committee correctly recognizes variable NAV funds as “counterexamples” of step-in risk. This result is consistent with investor expectations: fund investors understand that their principal is not guaranteed, that the value of their investment will fluctuate, and that any gains or losses belong to them. As the Bank of Canada has observed, “although many Canadian fund management firms are affiliated with a major bank, these banks are unlikely to suffer losses from stress in any of the management firm’s funds, since funds and their management firms are separate legal entities and there is no implicit expectation that a long-term mutual fund’s price would be supported to maintain a certain value.”¹⁶

But on the other hand, the discussion in the Second Consultation of a new and “key” indicator—styled as “liquidity stress/first mover advantage”—injects some skepticism about certain variable NAV funds: those not holding large reserves in cash/cash equivalents, those not employing barriers to redemptions (such as gates), and those investing in less liquid assets. The Committee appears to be suggesting that funds having any of those three characteristics present step-in risk for bank-affiliated managers.

In this section, we highlight regulated stock and bond funds’ successful record of meeting redemptions and note recent and ongoing regulatory initiatives designed to bolster that ability. We then address the Committee’s specific concerns about variable NAV funds with certain characteristics, explaining that those concerns are unfounded in the case of regulated stock or bond funds.

Regulated stock and bond funds are well equipped to meet redemptions

As a threshold matter, it bears emphasizing that all regulated funds offering redeemable shares are subject to regulatory requirements, and utilize portfolio management practices, designed to enable the funds to satisfy investor redemptions irrespective of market conditions. These requirements and practices are robust and have proven highly successful over many years.¹⁷

Nevertheless, given the critical importance of sound liquidity management, ICI Global has welcomed regulatory efforts that can help promote a “high bar” for regulated funds across jurisdictions. These efforts have included the following:

¹⁶ Bank of Canada, Financial System Review (June 2015), available at <http://www.bankofcanada.ca/wp-content/uploads/2015/06/fsr-june2015.pdf>, at 54.

¹⁷ In recent letters to the FSB, we outlined in detail the various tools and techniques used by regulated fund managers to provide sufficient fund liquidity, in light of the specific characteristics of each fund, and during both normal and exceptional market conditions. We likewise provided empirical data demonstrating that regulated fund investors in aggregate redeem modestly, even in periods of market stress. Letters to the FSB from Paul Schott Stevens, President & CEO, ICI, dated May 29, 2015 and Sept. 21, 2016, available at https://www.ici.org/pdf/15_ici_fsb_comment.pdf and https://www.ici.org/pdf/16_ici_fsb_ltr.pdf, respectively.

- The Financial Stability Board engaged in a review of asset management activities and, earlier this year, issued final policy recommendations—including in the areas of liquidity-related disclosure and reporting, liquidity management tools, and stress testing.¹⁸ The recommendations generally envision that the International Organization of Securities Commissions (IOSCO) and national authorities will review existing requirements and guidance and, on the basis of their findings, consider enhancements where appropriate.
- IOSCO has conducted a survey of the liquidity management frameworks in 27 jurisdictions, with a particular focus on tools to help deal with exceptional situations (*e.g.*, significant redemption pressures).¹⁹
- In the United States, the SEC has finalized a rule requiring all US mutual funds and open-end exchange-traded funds to have formal liquidity risk management programs.²⁰ Generally speaking, the rule requires a fund to (i) assess, manage, and periodically review its liquidity risk based on certain specified factors, (ii) classify its portfolio investments at least monthly based on their relative degree of liquidity and report this information to the SEC (with aggregated quarterly reporting to the public), (iii) determine and adhere to a minimum percentage of its net assets to invest in “highly liquid investments,” and (iv) limit illiquid assets to no more than 15 percent of the fund’s net assets and report any breaches of that limit to the SEC and the fund’s board.
- In the United Kingdom, the Bank of England’s Financial Policy Committee (“FPC”) commissioned a survey analyzing the risks associated with “open-end funds offering short-notice redemption” in the context of “potentially more fragile market liquidity.” According to the FPC, the survey results suggest that “funds operating under UCITS ensure that remaining investors are not disadvantaged when redemptions occur. This reduces incentives for investors to redeem if they suspect others will do the same.”²¹ Following up on this work, the Financial Conduct Authority (“FCA”) later issued a summary of good practices in the management of liquidity by UCITS.²² And recently, the

¹⁸ FSB, *Policy Recommendations to Address Structural Vulnerabilities from Asset Management Activities* (12 Jan. 2017) (“FSB Recommendations”), available at <http://www.fsb.org/wp-content/uploads/FSB-Policy-Recommendations-on-Asset-Management-Structural-Vulnerabilities.pdf>.

¹⁹ See IOSCO, *Liquidity Management Tools in Collective Investment Schemes: Results from an IOSCO Committee 5 survey to members* (December 2015) (“IOSCO Liquidity Management Tools Report”), available at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD517.pdf>.

²⁰ See SEC, *Investment Company Liquidity Risk Management Programs*, 81 Fed. Reg. 82142 (Nov. 18, 2016) (“SEC Liquidity Rule”), available at <https://www.gpo.gov/fdsys/pkg/FR-2016-11-18/pdf/2016-25348.pdf>.

²¹ See Bank of England, *News Release – Financial Policy Committee statement from its policy meeting* (23 Sept. 2015), available at <http://www.bankofengland.co.uk/publications/Pages/news/2015/022.aspx>.

²² See FCA, *Liquidity management for investment firms: good practice* (29 Feb. 2016), available at <https://www.fca.org.uk/publications/documents/liquidity-management-investment-firms-good-practice>.

FCA sought public comment on a discussion paper regarding illiquid asset holdings by regulated open-end funds.²³

- The Hong Kong Securities and Futures Commission conducted a liquidity risk management review of selected SFC-authorized funds and later issued guidance to fund management companies based on good practices that it identified during its review.²⁴
- The Bank of Canada assessed potential vulnerabilities in Canadian open-end mutual funds and concluded that these funds “appear to be managing . . . liquidity risks effectively.”²⁵

What is the relevance of these reviews to the Committee’s Second Consultation? While not designed to mitigate step-in risk, the output from these initiatives may nevertheless help to ensure that the possibility of step-in remains remote in respect of regulated stock and bond funds.

The characteristics cited by the Committee do not engender concerns in respect of regulated stock and bond funds

In the subsections below, we address the Committee’s specific concerns about variable NAV funds having certain characteristics: those not holding large reserves in cash/cash equivalents, those not employing redemption gates, and those investing in less liquid assets.

Holdings in cash and cash equivalents

The Second Consultation suggests that if an entity is facing unanticipated redemptions and cannot sell sufficient assets to meet redemptions, the bank may conclude that it must step in. It goes on to suggest that step-in by the bank is less likely if the entity is holding large reserves in cash or cash equivalents. In the case of regulated stock and bond funds, these statements simply are at odds with how funds manage their portfolios.

Regulated funds have sources of cash to meet redemptions, other than through sales of portfolio assets. In addition to cash or cash equivalents on hand, regulated funds typically have interest and dividends received on securities held, proceeds from maturing debt instruments, and re-investment by fund shareholders of distributions or dividends. They often have proceeds from the sale of new shares.²⁶ And regulated funds also can accommodate redemptions by reducing their purchases of portfolio securities, as opposed to selling off their existing holdings.

²³ See FCA, *Discussion Paper: Illiquid assets and open-ended investment funds* (Feb. 2017), available at <https://www.fca.org.uk/publication/discussion/dp17-01.pdf>.

²⁴ See Hong Kong Securities and Futures Commission, Circular to management companies of SFC-authorized funds on liquidity risk management (4 July 2016), available at <http://www.sfc.hk/edistributionWeb/gateway/EN/circular/doc?refNo=16FC29>.

²⁵ See Bank of Canada, Financial System Review (June 2015), available at <http://www.bankofcanada.ca/wp-content/uploads/2015/06/fsr-june2015.pdf>, at 46-54.

²⁶ In the case of regulated US funds (the universe for which the relevant data is available), even in periods of net outflows, some investors continue to purchase new shares in almost all funds.

Recent commentary by the SEC underscores the fact that regulated funds need not hold large reserves in cash and cash equivalents in order to successfully meet redemptions. As part of its final rule on liquidity risk management, the SEC adopted a requirement that each fund set a “highly liquid investment minimum”—generally speaking, a baseline level of highly liquid assets to be held by the fund—based on its particular risk factors. As explained by the SEC, this requirement is intended to “increase the likelihood that a fund would be prepared to meet redemption requests without significant dilution of remaining investors’ interests in the fund.”²⁷ The SEC went on to explain that the minimum requirement “was never meant to suggest that a fund should only, or primarily, use its most liquid investments to meet shareholder redemptions” or “that funds should hold cash-like buffers.”²⁸ In fact, the SEC acknowledged that “a broad variety of securities”²⁹ in addition to cash and cash equivalents could count toward the fund’s minimum level.

Redemption gates

The Second Consultation suggests that “liability run risks are heightened when it is advantageous for an investor to exit the entity before others do. This scenario is more acute when there are no potential barriers to redemptions (ie redemption gates).” Much ink, academic and otherwise, has been spilled over whether a so-called “first-mover advantage” could exist for some funds offering redeemable shares, the materiality of any such advantage, and the countering factors that could mitigate any such advantage. We do not believe it is necessary to wrestle with these broader questions in order to respond to the Committee’s concern: whether a fund needs to have the ability to impose redemption gates in order to avoid posing step-in risk for its sponsor. In the case of regulated stock and bond funds, the answer is no.

Redemption gates are but one type of liquidity management tool that may be available for use in exceptional circumstances. Such tools—which the FSB acknowledges are infrequently used³⁰—also include redemption fees, the ability to redeem in kind, and temporary borrowing, among others, depending upon the regulatory framework in the particular jurisdiction. In addition, a recent survey by IOSCO of 27 jurisdictions found that the regulatory scheme in each jurisdiction allows for the suspension of investor redemptions, if such a drastic step is needed.

But for regulated stock and bond funds, the more relevant point is one we explained at length in the Initial Letter: investors in a regulated stock or bond fund understand that the value of their investment will fluctuate and that any gains or losses belong to them. There is thus no basis for investors to have an expectation of sponsor support. The presence or absence of authority to impose redemption gates has no bearing on this.

²⁷ SEC Liquidity Rule, *supra* note 20, at 199.

²⁸ *Id.* at 202.

²⁹ *Id.*

³⁰ FSB Recommendations, *supra* note 18, at 21.

For these reasons, the Committee’s initial instinct about variable NAV funds as a “counterexample” of step-in risk is correct and there is no need to distinguish between funds that have the ability to utilize redemption gates and those that do not.

Investments in less liquid asset classes

The Second Consultation suggests that certain types of funds—namely, emerging market equity index funds, corporate bond funds, and high-yield bond funds—are more prone to liability run risk because they are “more prone to volatile valuations and large drops in value during periods of liquidity stress.” This assertion, for which the Committee offers no evidence, bears a striking resemblance to unsupported contentions by the FSB in its review of asset management activities. In that work, the FSB raised concerns about possible systemic effects from “unanticipated large redemptions” from open-end funds investing in less liquid asset classes.

In our September 2016 comment letter, we sought to respond directly to the concerns that the FSB had raised, using recent market experience in the high-yield bond fund sector. This is a market in which investors, including those who invest through funds, can and do experience sizeable fluctuations in total return. Using empirical data, we looked at the state of the high-yield bond market prior to November 2015, then considered what happened from November 2015 to February 2016. That three-month period was one of significant stress in the US high-yield bond market that also featured the high-profile announcement by a US high-yield bond fund that it would suspend investor redemption rights.³¹ Had the FSB’s contentions been accurate, the data would have shown “runs” from high-yield bond funds as investors sought to stem their losses. In fact, the data demonstrate that fund investors in aggregate reacted quite modestly during this period of market stress. Our analysis showed similar results for bond funds in Europe and Canada.

We recognize that the Committee is concerned not with system-wide effects but rather with the implications for a bank if one of its sponsored funds experienced “unanticipated large redemptions.” Our prior analysis nevertheless contains several important insights that are relevant to—and should allay—the Committee’s concerns. Specifically:

- Investors were purchasing, as well as selling, shares of most high-yield bond funds during this period of market stress.
- These purchases were not confined to a few high-performing funds. In fact, the data show that fully 98 percent of US high-yield bond funds received new investor money in December 2015, when market stress was at its highest level.

³¹ This was no ordinary high-yield bond fund but rather an outlier: its portfolio was less liquid and invested in more distressed assets than other high-yield bond funds; its cumulative rate of return for the previous 18 months was minus 34 percent; it experienced outflows over much of the 18-month period that accelerated in each of its final four months; and by the time it suspended redemptions, its overall assets were down 73 percent from their peak. It is worth noting that, despite the significant market stress and the fund’s precarious position, the fund sponsor did not step in to provide support.

- As a result, most US high-yield bond funds during the period had only modest net outflows, while more than 25 percent of such funds had net *inflows*.

What explains the fact that some investors were buying shares of high-yield bond funds even as prices were falling and other investors were selling? One reason is that when bond prices fall, yields rise—compensating investors for the possibility of higher bond default rates. A related point is that if some investors sell into a down market—and help to drive bond prices below their fundamental value—investors who buy in can reap the rewards when bond prices recover. Thus, investors may be attracted by depressed bond prices because of higher yields or the prospect of rising bond prices.

Ultimately, the data demonstrates an important component of investor behavior: that some investors put new money into the market to purchase fund shares even for funds investing in less liquid securities, and even when the market is highly stressed. What we hope the Committee takes away from this discussion is that even regulated funds investing in less liquid assets show no greater propensity for unanticipated large redemptions.³²

III. Conclusion

We strongly recommend that any final framework contain a more balanced discussion of regulated money market funds, specifically acknowledging the degree to which step-in risk has been mitigated since the global financial crisis. Likewise, any final framework should contain a more balanced discussion of regulated stock and bond funds. Without clearer and more accurate discussion of regulated funds, it could be possible for national supervisors to misconstrue how the indicators should be applied to regulated funds or to second-guess a bank's determination as to the existence and/or degree of step-in risk from a regulated fund. In addition, we again urge the Committee to expand its concept of collective rebuttals or otherwise indicate that any entity not presenting significant step-in risk should be excluded from this framework.

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³² Should such a situation arise, a regulated fund would have at its disposal a range of liquidity management tools. Ultimately, if the fund were in a position of increasing difficulty in meeting investor redemptions, it could choose to liquidate according to an orderly process. *See, e.g.*, Initial Letter, *supra* note 3, at 11. Indeed, the sponsor of the fund described above in note 31 and the accompanying text chose to close the fund and liquidate it. As we indicated above, the sponsor did not step in to support the fund.

We appreciate the opportunity to comment on this consultation. If you have any questions regarding our comments or would like additional information, please contact me at (011) 44-203-009-3101 or dan.waters@iciglobal.org; or Susan Olson, Chief Counsel, ICI Global, at (202) 326-5813 or susan.olson@iciglobal.org.

Sincerely,

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