

## ICI Comment Letter on Open-End Fund Liquidity Risk Management Programs and Swing Pricing

ICI submitted a comment letter to the SEC's on their proposal for liquidity, swing pricing, hard close, and Form N-PORT.

The proposal would radically change the liquidity risk management requirements for open-end funds (i.e., mutual funds and ETFs), impose on mutual funds a "hard close" on orders (typically at 4:00 p.m. (ET)), and mandate that mutual funds use swing pricing. We are quite concerned that adoption of this proposal would not only fundamentally alter the management and operation of open-end funds and pricing of mutual funds but also how investors purchase and sell mutual funds. American retail investors could no longer be able to access certain funds and strategies that have successfully served their financial needs for decades.

The Commission has failed to ground such consequential changes in thorough evidence and careful study, analysis, and testing of proposed solutions, a prerequisite to fulfill its mandate to act in the public interest and for the protection of investors. We therefore cannot support this proposal and urge the Commission to undertake a more fulsome examination to identify any deficiencies in funds' current liquidity risk management practices and design well-calibrated solutions.

Read more in the [comment letter](#).

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