

29 July 2020

Secretariat to the Financial Stability Board
c/o Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

By email: fsb@fsb.org

RE: Consultative Document – Guidance on Financial Resources to Support CCP Resolution and the Treatment of CCP Equity in Resolution

Dear Sir or Madam,

ICI Global¹ appreciates the opportunity to comment on the Financial Stability Board’s (FSB) consultative document (“the consultation”) on proposed guidance for: (i) assessing the adequacy of financial resources needed to absorb losses and to cover other costs in CCP resolution; and (ii) the treatment of CCP equity in resolution.² ICI Global members – managing regulated funds³ in jurisdictions around the world – use centrally cleared derivative contracts in a variety of ways to achieve their investment objectives in accordance with the terms of each fund’s prospectus.⁴

Centrally cleared derivatives should be supported by an effective regulatory framework for CCP oversight by relevant authorities that is based upon international standards, including procedures to address the failure and subsequent resolution of a CCP. International standards are of particular importance because of the cross-border nature of the derivatives markets, including the inherent complexities arising from CCPs operating in multiple jurisdictions and being subject to supervision and oversight by multiple resolution or supervisory authorities.

¹ [ICI Global](#) carries out the international work of the [Investment Company Institute](#), the leading association representing regulated funds globally. ICI’s membership includes regulated funds publicly offered to investors in jurisdictions worldwide, with total assets of US\$31.3 trillion. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of regulated investment funds, their managers, and investors. ICI Global has offices in London, Hong Kong, and Washington, DC.

² FSB: Financial resources to support CCP resolution and the treatment of CCP equity in resolution, Consultative Document, 4 May 2020, available from <https://www.fsb.org/wp-content/uploads/P020520.pdf>

³ For purposes of this letter, the term “regulated fund” refers to any fund that is organised, formed and regulated under national law and is authorised for public sale. Such funds typically are subject to substantive regulation in areas such as disclosure, form of organisation, custody, minimum capital, valuation, investment restrictions (*e.g.*, leverage, types of investments or “eligible assets,” concentration limits and/or diversification standards). Examples of such funds include: US investment companies regulated under the Investment Company Act of 1940 and EU UCITS.

⁴ Derivatives offer regulated funds considerable flexibility in structuring their investment portfolios. Uses of derivatives include, for instance, hedging positions, equitizing cash that a regulated fund cannot immediately invest in direct security holdings, managing a regulated fund’s cash position more generally, and adjusting duration.

From the outset, we have supported⁵ the FSB's objective of issuing guidance to maintain market confidence and promote a consistent international process for CCP resolution, including in our response⁶ to the FSB's 2018 Discussion Paper.⁷

If implemented appropriately, the FSB's guidance on CCP resolution could reduce uncertainty in the event of a CCP's failure and assure market participants that they will receive fair treatment from resolution authorities. We support the FSB's proposed *five-step process* for assessing the adequacy of financial resources and tools available to support the resolution of a CCP. As we have set out previously,⁸ in developing its final guidance on the *five-step process*, the FSB should seek to strike a balance between providing certainty regarding the resolution process and allowing resolution authorities sufficient flexibility to respond to unanticipated circumstances.

As set out in more detail in the subsequent sections of this letter, we have recommended the following changes to the FSB's proposed guidance to enable regulated funds, as customers of CCPs, to receive fair treatment during a CCP's resolution:

- **Transparency:** at a minimum, the FSB should encourage authorities to communicate to clearing participants – clearing members (CMs) and customers – the tools and strategies they plan to use to resolve a failed CCP;
- **Certainty and consistency:** the FSB should establish that a CCP enters resolution at the point when it has depleted its own recovery resources, the resources of CMs that are committed to the CCP's recovery and, if applicable, credit facilities or capital injections that may be provided by a parent entity;
- **Fair Treatment:** the FSB should support the use of resolution strategies that rely on the resources of the entities ultimately responsible for the failure of the CCP's risk management function – the CCP itself, CMs and equity holders – rather than seizing resources from non-defaulting customers (NDCs) who are users of the CCP that play no meaningful role in, or control over, CCP risk management and have not contributed to the CCP's distress; and
- **Aligned incentives:** the FSB should not support the use of resolution tools such as variation margin gains haircutting and contract tear ups, which may discourage voluntary clearing, create moral hazard by incentivising CCPs and their CMs to take excessive risks, or destabilise markets by incentivising CMs and CCP customers to liquidate trades in anticipation of adverse outcomes in times of stress.

These recommendations, which we discuss in more detail below, also will: (i) provide greater certainty to market participants; (ii) improve market confidence; and (iii) support the achievement of global post-crisis political commitments, including encouraging greater clearing of OTC derivatives.

⁵ See Letter from Dan Waters, Managing Director, ICI Global to the Secretariat of the Financial Stability Board, Re: Guidance on Central Counterparty Resolution and Resolution Planning – Consultative Document, dated 13 March 2017, “2017 ICI Global Letter”, available at <http://www.fsb.org/wp-content/uploads/ICI-Global.pdf>

⁶ See Letter from Patrice Bergé-Vincent, Managing Director, ICI Global to the Secretariat of the Financial Stability Board, Re: Discussion paper on financial resources to support CCP Resolution and the treatment of CCP equity in resolution, dated 1 February 2019, “2019 ICI Global Letter”, available at <https://www.fsb.org/wp-content/uploads/ICI-Global-2.pdf>

⁷ FSB: Financial resources to support CCP resolution and the treatment of CCP equity in resolution, Discussion paper, 15 November 2018, available from <https://www.fsb.org/wp-content/uploads/P151118-2.pdf>

⁸ p2, 2019 ICI Global Letter,

Financial Resources for CCP Resolution

The FSB should encourage authorities⁹ to communicate to clearing participants the scope of the tools and strategies they will use to resolve a CCP (subject to the amendments we have proposed in this letter to the *five-step process*). The FSB should recommend, at a minimum, that authorities communicate:

- a definition of when a CCP resolution begins;
- the likely steps that a resolution authority would take to resolve a CCP; and
- the resources the CCP expects to finance each step of resolution, including the CCP's own resources, committed resources of CMs and, if applicable, credit facilities or capital injections that may be provided by a parent entity.

As we have suggested previously,¹⁰ authorities could communicate this information by making public the full text of CCP resolution plans or a summary of the material portions of each plan. Meaningful transparency can reduce uncertainty and maintain market confidence during CCP resolution as market participants that understand a clear plan exists to resolve a failing CCP and have confidence the plan will be followed will feel more assured of the next steps upon the activation of the plan. As a result, the responses of market participants should be measured and proportionate to the risks that the plan presents to their business. If, however, market participants question whether authorities have a plan to resolve a financially distressed CCP, lack adequate information concerning the risks that a resolution plan presents to their business, or believe authorities will abandon the plan, CMs and CCP customers may liquidate trades in anticipation of adverse outcomes.

To further the value that meaningful transparency of resolution plans brings to market participants, the FSB should also consider developing guidance to support the standardisation of disclosures from CCPs – to support authorities in assessing recovery tools and resources and to enable market participants to obtain a comprehensive picture of the cleared market. Standardised disclosures are can be an important input to the overall assessment by market participants of the resilience of CCPs.

The FSB proposes that the assessment of CCP resolution plans undertaken by resolution authorities should be reviewed and updated on an annual basis. Material changes to the inputs and factors on which these plans are based can occur in the interim period – resulting in significant changes to the tools, resources and costs for the CCP's resolution. The FSB should therefore evaluate how material changes to these plans and any changes to authorities' assessment of them, can be communicated effectively to market participants, including CCP customers, ideally in a standardised form, between annual publications.

Step 1: Identifying hypothetical default and non-default loss scenarios that may lead to resolution (consultation question 1 and 2)

The consultation's first two questions seek input on: (i) the hypothetical default loss (DL) and non-default loss (NDL) scenarios that may lead to resolution; and (ii) the considerations for authorities that should be included in the FSB's guidance.

The FSB has noted that CCP resolution is likely to occur in market conditions that are beyond the "extreme but plausible" conditions for which a CCP should hold sufficient prefunded

⁹ For purposes of this letter, the term "authorities" refers to supervisory, regulatory and other authorities as relevant to the oversight of CCPs, including resolution authorities, crisis management groups and authorities responsible for the authorisation and/or ongoing supervision of CCPs.

¹⁰ p4, 2017 ICI Global Letter

financial resources. As we have raised previously,¹¹ there is not an internationally consistent approach to the defining when recovery ends and resolution begins. Much of the *five-step analysis* depends on this definition and we encourage the FSB to include in its final guidance a clear and objective threshold for the commencement of resolution proceeding. This will ensure that global authorities start their assessment in a comparable place, regardless of the jurisdiction of the CCP or the type of authorities concerned. International consistency in approach is of particular importance for CCPs active in many jurisdictions and should support the work of crisis management groups (CMGs). Furthermore, international consistency has the potential to bolster market confidence by managing the expectations of investors and market participants and reducing the risk of sudden market withdrawal (e.g., CMs and CM customers to liquidate trades in anticipation of adverse outcomes) which in turn may exacerbate market stress.

We urge the FSB to define the threshold for the commencement of resolution proceeding as the point at which a CCP has depleted:

- its own resources;
- the resources of CMs that are committed to the CCP's recovery (i.e., resources established under prudential requirements designed to ensure that a CCP can meet its obligations, including the CCP's own capital and CM default fund commitments); and
- any non-prefunded resources, such as a capital injection from a parent entity.

After the resources listed above have been depleted, the CCP cannot continue to provide clearing services without external funding and the most likely sources for this bail out are the funds of clearing participants, CCP creditors, or taxpayers. From this point, the resolution authorities should determine whether to provide additional funding to the CCP under the auspices of a resolution plan.

We agree with the FSB's proposed recommendation that when undertaking resolution planning authorities should consider a range of loss scenarios for a CCP, including those arising from DLs, NDLs and a combination. We agree that this analysis should include losses resulting from: (i) the hypothetical scenarios outlined by the FSB in the consultation;¹² (ii) the crystallisation of custody, investment, legal and operational activity, including in accordance with CPMI-IOSCO guidance;¹³ and (iii) unallocated losses arising from the materialisation of general business risk. We urge the FSB to recommend that the evaluation undertaken by authorities extends beyond just a scenario analysis and also requires authorities to develop and test playbooks, simulation resolutions and undertake reverse stress tests, including across CMGs.

Step 2: Conducting a qualitative and quantitative evaluation of existing resources and tools available in resolution (consultation question 3 and 4)

The consultation's third and fourth questions seek input on: (i) whether the qualitative and quantitative considerations for evaluating existing resources and tools are comprehensive and sufficiently clear; and (ii) the considerations for authorities that should be included in the FSB's guidance.

For each scenario identified in *Step 1* of the *five-step process*, the FSB proposes that authorities evaluate the availability of existing CCP resources, the ability to rely on particular tools to create resources and the potential adverse effects on financial stability from the use of these tools and resources. Although the FSB has recommended that authorities generally consider the potential

¹¹ p3, 2019 ICI Global Letter

¹² Section 1.1 and 1.2, Consultation

¹³ CPMI-IOSCO Recovery of Financial Market Infrastructures Guidance, July 2017, available from <https://www.bis.org/cpmi/publ/d162.pdf>

impact of using resources and tools on stakeholders of the CCP and the options available to customers to choose alternative CCPs, the FSB has not recommended that authorities take account of the direct impact for customers. We recommend that the FSB includes the potential for adverse effects on customers that may render tools and resources inadvisable for resolution in the list of key points to be considered by authorities when evaluating existing tools and resources.

The FSB proposes that authorities should consider, amongst other key points, the implications for the availability of various potential loss absorbing resources in resolution that arise from the specific types of products cleared and CCP ownership structures. As noted in the preliminary remarks at the start of this letter, meaningful transparency can reduce uncertainty and maintain market confidence during CCP resolution. We recommend that the FSB encourages authorities to set out the implications arising from the specific types of products cleared by the CCP and from its ownership structures on the availability of potential loss absorbing resources. This could include, for instance, the “contribution” that each product type makes to the estimated overall risks and resolution costs of the CCP and the implications of the CCP’s ownership structure (e.g., mutualised, for profit etc.) on the relative value of equity and the default fund compared to average levels across other CCPs. Authorities could include this information when making public the full text of CCP resolution plans or a summary of the material portions of each plan.

Tools for Default Loss Scenarios

The FSB proposes that authorities should evaluate the potential use of tools for DL scenarios, including variation margin gains haircutting (VMGH), contract tear ups (CTUs)¹⁴ and other position allocation and matched book tools. As we have highlighted previously,¹⁵ in proposing the use of these tools the FSB has not incorporated meaningful protections for NDC assets. The FSB also contemplates that initial margin might be available to a resolution authority in some circumstances (see our comments later in this letter).¹⁶

VMGH¹⁷ and CTUs¹⁸ pose a serious risk to NDCs of CMs, and we strongly urge the FSB to discourage their use. Such tools are a mechanism to transfer assets of NDCs to the CCP and its shareholders, and enable a CCP to return to a matched book at the expense of the contract holder – which loses the rights that it had negotiated and paid for when the CCP accepted the contract for clearing.

The use of tools such as VMGH and CTU risks undesirable ramifications including:

- discouraging voluntary clearing – by introducing risks that do not exist in uncleared derivatives products and that customers cannot monitor or control;¹⁹
- encouraging questionable risk management practices at CCPs (i.e., moral hazard) – incentivising CCPs and their CMs to take risks that they otherwise would not take if only their assets were available in the event of a failure; and

¹⁴ Full tear ups and partial tear ups

¹⁵ p3-5, 2019 ICI Global Letter

¹⁶ Section 5.3(iiii), Consultation

¹⁷ VMGH contemplates reducing pro rata the amount that the CCP would be obligated to pay participants with in-the-money (net) positions while continuing to collect full margin from those participants with out-of-money (net) positions.

¹⁸ CTU contemplates cancelling some or all of the exposure associated with a particular contract, reducing the CCP’s exposure.

¹⁹ In the uncleared context, for example, a regulated fund can use a third-party custodian (e.g. EU depository) to remove the ability of a bilateral counterparty to seize its initial or variation margin in the absence of a default by the fund.

- destabilising market effects – reducing the risk of sudden market withdrawal (e.g., CMs and CCP customers to liquidate trades in anticipation of adverse outcomes) which in turn may exacerbate market stress.

Tools for Non-default Loss Scenarios

The FSB proposes that authorities should consider the allocation of losses to CMs as one of the key points for evaluating available resources and the potential use of tools for NDL scenarios. The FSB does not make direct reference to the use of NDC assets to cover these losses but recommends that authorities analyse, to the extent feasible, the potential impact on affected CMs.²⁰ The FSB should expressly rule out the use of NDC assets to cover NDLs as these losses should be borne entirely by the CCP and its shareholders, given that they result directly from business decisions of the CCP's management. When a CCP and its shareholders exclusively bear the risk of NDLs, they will be incentivised to make arrangements in advance to address NDLs. Regulated funds and other customers of CMs play no meaningful role in the day-to-day risk management process of the CCP and so are unable to control and mitigate the CCP's exposure to NDLs.

Step 3: Assessing potential resolution costs (consultation question 5 and 6)

The consultation's fifth and sixth questions seek input on: (i) whether the considerations for analysing resolution costs are comprehensive and sufficiently clear; and (ii) whether other resolution costs should be addressed.

For each scenario identified in *Step 1* of the *five-step process*, the FSB proposes that authorities should conduct a qualitative and quantitative assessment of the different types of costs that could arise in the resolution of a CCP. The FSB notes that losses and costs that must be covered by available resources will be influenced by the organisational structure of, and the types of products cleared by, the CCP including who will bear the different types of costs and how costs not fully covered by the use of resolution tools may ultimately be recoverable and from whom.

As we have outlined above, the FSB should discourage the use of tools – including VMGH and CTUs – that seize the assets of NDCs of CMs. Assets of NDCs are financing resources²¹ and not loss absorbing resources.²² If, despite the FSB's guidance, authorities envisage using tools or other mechanisms to seize the assets of NDCs for a default loss then the FSB should make clear that the “costs” of these tools, including compensation payable to NDCs, should be factored into the analysis of the ultimate costs that will need to be “recovered” when replenishing financial resources necessary to return the CCP to a viable financial position.²³

The FSB proposes that authorities should consider all relevant scenarios and factors when quantifying the resolution costs resulting from NDLs. As outlined above, this analysis should discourage the use of tools that seize the assets of NDCs. We support other aspects of the FSB's proposed approach, including quantifying the costs resulting from custody, investment, legal and operational losses, in accordance with CPMI-IOSCO guidance²⁴ and unallocated losses arising from the materialisation of general business risk. As part of this analysis, we urge the FSB to recommend that authorities also consider concentrations of exposures, for instance the use by a CCP of a single or limited number of custodians to safekeep margin. Furthermore, we urge the

²⁰ Paragraph 2.2.3(iii), Consultation

²¹ Resources that are meant to return a CCP to a viable financial position.

²² Resources including margin and the default fund meant to ensure resiliency and facilitate the recovery of a CCP.

²³ We do not object to tear-ups that occur as a result of the wholesale liquidation of a CCP, provided that contracts are torn up quickly and in an orderly fashion and that NDC of CMs receive promptly all proceeds due to them following the liquidation of their contracts.

²⁴ CPMI-IOSCO Recovery of Financial Market Infrastructures Guidance, July 2017, available from <https://www.bis.org/cpmi/publ/d162.pdf>

FSB to recommend that the evaluation undertaken by authorities extends beyond just a scenario analysis and requires authorities to develop and test playbooks and simulation resolutions, including across different authorities within CMG.

Step 4: Comparing existing resources and tools to resolution costs and identifying any gaps (consultation questions 7-9)

The consultation's seventh, eighth and ninth questions seek input on: (i) the considerations for resolution authorities when they identify gaps in resources and tools; (ii) additional considerations that should be included in the FSB's guidance; and (iii) specific steps or approaches that authorities should consider as part of quantitative analyses.

We are broadly in agreement with the key points identified by the FSB for authorities to consider when comparing the resolution costs assessed in *Step 3*, to the resources and tools analysed in *Step 2* under the different resolution scenarios identified in *Step 1*. This comparison is to identify potential shortfalls or gaps that could cause resources to be inadequate to achieve the resolution objective.

The FSB proposes that authorities should consider the degree to which resources may have been used in recovery. As we have set out previously, we consider there to be merit in establishing through the FSB's guidance, an internationally consistent definition of the threshold for the commencement of resolution proceeding as the point at which a CCP has depleted its own resources, the resources of CMs that are committed to the CCP's recovery and any non-prefunded resources, such as a capital injection from a parent entity.

The FSB also proposes that authorities should consider the impact on financial stability of the availability and sufficiency of existing resources and tools to cover related costs and achieve resolution objectives. As we have also set out previously, the FSB should also encourage authorities to consider the implications of using tools and resources on the customers of CMs.

Step 5: Evaluating the availability, costs and benefits of potential means of addressing any identified gaps (consultation questions 10-11)

The consultation's tenth and eleventh questions seek input on: (i) the considerations for evaluating the availability, costs and benefits of potential means to address identified credit or liquidity gaps; and (ii) additional suggestions for potential steps to address identified credit or liquidity gaps that should be included in the guidance.

The FSB proposes that authorities should consider various aspects when assessing any shortfalls or gaps between existing resources and tools and resolution costs identified in *Step 4*. We urge the FSB to include in the list of considerations the implications of each option for customers of CMs. We have set out below recommendations and concerns in respect of writing down initial margin, and the alignment of incentives and governance to avoid moral hazard where tools and resources that seize NDC assets are used.

Initial Margin Haircutting

The FSB proposes that authorities should consider whether non-bankruptcy remote initial margin will be available in resolution and, if so, whether the relevant resolution authority has the power to write it down. We oppose the inclusion of any tools that would result in initial margin haircutting (IMH)²⁵ of NDCs as this may have significant unintended consequences, including incentivising CCP customers to liquidate trades in anticipation of adverse outcomes.

²⁵ Initial margin haircutting occurs when a CCP writes down initial margin provided by a non-defaulting clearing participant and requires that participant to replenish the initial margin.

Alignment of incentives

We urge the FSB to consider carefully the incentives that its final guidance will create for all CCP constituencies, including customers, equity holders, managers, and CMs. As we have discussed above, permitting the use of NDC funds – especially IMH, VGMH and CTUs – to finance a CCP’s resolution also could provide an incentive for CCPs and their CMs to take risks that they otherwise would not take if only their assets were available in the event of a failure. The misalignment of incentives that results from this moral hazard is somewhat similar to bailouts using public funds, which policymakers want to avoid. In either case, a CCP’s equity holders and managers would know that third-party funds could be available to subsidise overly aggressive risk taking.

As we set out previously,²⁶ our concerns about moral hazard are heightened because the consultation does not provide clear guidance on the role of a CCP’s equity holders and managers during and after resolution. The FSB’s 2018 discussion paper²⁷ and the consultation²⁸ both envisage the possibility for the same group that led a CCP into ruin to continue to control the enterprise following resolution, or for the equity holders to remain unaffected and retain their ownership stake following a resolution proceeding. As such, the provision of NDC funds as a resolution tool could create perverse motivations for a CCP’s equity holders and managers.

Ultimately IMH, VGMH and CTUs would weaken the central clearing system rather than making it more robust to market shocks by reducing the willingness of customers to use cleared products and introducing moral hazard into CCP risk management decisions, both of which could have negative ramifications for the financial system. The FSB should consider the incentives that resolution tools will create for all parts of the clearing ecosystem and endorse only those tools that will support prudent CCP risk management practices and greater use of central clearing services.

Rather than sanctioning the appropriation of NDC assets to resolve a failed CCP, we urge the FSB to recommend, through the proposed *five-step process*, that resolution authorities adopt resolution strategies that allocate losses to, and provide for replenishment of financial resources by, those market participants that caused or contributed to a CCP’s failure, that can control the amount of risk they bring to or allow in the CCP (as CMs or equity holders), and that have the ability to monitor or manage the CCP’s risk-taking and management activities.

As the FSB has also acknowledged previously²⁹ and incorporated into the proposed *five step process*, there are a variety of resolution strategies that would not involve seizing NDC assets, including:

- imposing losses on CCP equity holders;
- enhancing CCP contributions to recovery efforts;
- selling new equity in the CCP and using the proceeds to replenish its financial resources; and
- setting aside additional pre-funded resources for use in resolution beyond those already stipulated in the regulatory requirements for CCPs. We urge the FSB to incorporate these

²⁶ p4 and 5, 2019 ICI Global Letter

²⁷ See p25, FSB 2018 Discussion Paper, where the FSB notes the potential of a change in ownership of a CCP, for instance resulting from the imposition of losses on equity and subsequent recapitalisation, to impact on other entities within a CCP’s group which could include trading platforms, central securities depositories and other CCPs.

²⁸ p22, Consultation

²⁹ Guidance on Central Counterparty Resolution and Resolution Planning, Consultative Document, 1 February 2017, available from <http://www.fsb.org/wp-content/uploads/Guidance-on-Central-Counterparty-Resolution-and-Resolution-Planning.pdf>

options into its final guidance so that resolution tools properly align the interests of those managing CCP operations and their risks with those of other CCP participants. Clarifying that CCPs, their equity holders and CMs are expected to fund the CCP's resolution, will incentivise these parties to manage risk appropriately while simultaneously encouraging regulated funds and other market participants to increase their use of cleared OTC derivatives.

If the FSB, however, is unwilling to rule out the use of NDC assets to resolve a CCP, it should, at a minimum, constrain the use of these assets to a tool of last resort for resolution, and only for DLs (under no circumstances should these tools be used for recovery or for NDIs in resolution). Tools that seize NDC assets should only be accessed after other tools have been exhausted and subject to:

- approval and supervision by a resolution authority;
- robust and inclusive governance processes, including the involvement of CMs and customers;
- pre-determined caps;
- use in a non-discriminatory and transparent manner;
- applied on a gross rather than net basis; and
- appropriate NDC compensation for incurred losses.

The measures above may mitigate, but not entirely eliminate, the moral hazard associated with the use of such tools and the potential for the final guidance to discourage clearing.

In all cases, and regardless of the tools used, resolution proceedings should be swift and transparent. Regulated funds need to fairly value the margin they have posted with a CCP that is undergoing resolution to calculate net asset value and fund performance and also to ensure that regulatory limits, including on illiquid assets, are respected. If funds are unable to trade out of positions for a prolonged period of time, they may have to classify margin at a CCP as illiquid, with resulting impacts on other aspects of the fund's portfolio or operations to ensure compliance with relevant regulatory limits.

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We appreciate the opportunity to provide input on the consultative document. If you have any questions on this letter, please contact me at patrice@ici.org, Jennifer S. Choi, Chief Counsel at jennifer.choi@ici.org, or Giles Swan, Director of Global Funds Policy, at giles.swan@ici.org.

Yours sincerely,

/s/

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