

ICI Strongly Supports SEC Proposal to Prevent Late Trading of Mutual Funds, February 2004

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Washington, D.C., February 5, 2004 - The Institute today expressed its strong support for the SEC's proposal to protect mutual fund shareholders by preventing the late trading of fund shares, in a comment letter filed today. Institute President Matt Fink said the [letter](#) "renews our support for much more rigorous regulatory requirements" in order to provide "rock-solid assurance" that mutual fund trades were placed and executed before the end of the trading day at 4 pm.

The Institute first urged that trade reporting requirements be substantially tightened in [early October](#) in the wake of investigations by government officials that revealed late trading abuses involving a number of mutual funds. In renewing its support for tough [new requirements](#) today, Institute General Counsel Craig Tyle also encouraged the Commission to consider whether some intermediaries may already be able to "document through unalterable means the precise date and time" when orders were received. In such instances, the letter suggests, the SEC should consider the benefits that could accrue to fund shareholders by allowing the intermediary to receive orders on the fund's behalf before the hard 4 pm deadline.