



Crane Data LLC
5 E. Main St. #2
Westborough, MA 01581
USA
1-508-439-4419

Committee of European Securities Regulators
11-13 avenue de Friedland
75008 Paris, France

Re: Comment on “A common definition of European money market funds”

Dear Sir/Madam:

I appreciate the opportunity to comment on the CESR’s recent Consultation Paper, “A common definition of European money market funds.” But I urge the Committee to reconsider the “two-tiered” approach to defining “money market funds,” which I believe would result in worldwide confusion over the term, and to allow only “short-term money market funds” to use this naming.

On background, my company, Crane Data, has been tracking money market mutual funds since April 2006, and produces news and statistics on money funds. We publish Money Fund Intelligence, Money Fund Intelligence International, and <http://www.cranedata.com>, the most frequently visited website involving money market mutual fund content on the Internet. I have been tracking money market fund performance and writing about money market funds since 1993.

I assume the Committee has reviewed the history and statistics on money market funds worldwide, so I won’t bother to repeat these (though I’d be happy to review). In brief, though, the vast majority of worldwide “money market mutual fund” assets are based in the U.S., which has a tremendously successful 40-year history of usage. Having regulators in Europe disregards this history and define money market funds differently than in the U.S. and differently than in a number of other countries worldwide would create needless risk, cost, and confusion in the marketplace. “Money market” in common usage means less than a year to maturity and implies stable value. It would make far more sense for Europe to conform.

I would suggest that the CESR alter its proposal for “Longer-term money market funds” to change these investment vehicles to another moniker, such as “short-term bond funds,” “ultra-short bond funds,” or “conservative income funds.” These vehicles should not be groups together with funds abiding by strict quality, maturity and diversity limits. I’d be happy to discuss in more detail.

Sincerely,

Peter G. Crane
President & Publisher