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September 17, 2013

Ms. Elizabeth Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-03-13: Proposed Rule on Money Market Fund Reform; Amendments to Form PF

Dear Ms. Murphy:

Interactive Data appreciates the opportunity to comment on the Commission's proposed rules for money market fund reform. We have focused our comments on the Commission's first alternative proposal, which would require the use of a "floating" net asset value ("NAV") for money market funds (other than government and retail money market funds). As explained in greater detail below, we believe that a floating NAV requirement presents new challenges for the money market fund industry. Although we believe this proposal will likely require substantial changes in pricing-related workflows by money market funds and their partners, we are confident in our ability to help our clients comply with the proposed regulation for a floating NAV by providing them with high-quality evaluated pricing data at multiple times during the trading day.

Background on Interactive Data Corporation:

Interactive Data Corporation is a leader in financial information. Thousands of financial institutions, including many of the world's leading investment companies, subscribe to our fixed income evaluated pricing, reference data, real-time market data, trading infrastructure services, fixed income analytics, desktop solutions and hosted, web-based solutions. Interactive Data's offerings are used to assist clients with mission-critical functions, including portfolio valuation, regulatory compliance and risk management.

For over 40 years, Interactive Data's Pricing and Reference Data business has been collecting, editing, maintaining, and delivering financial data, and has established itself as a leading provider of evaluated pricing for 2.8 million fixed income securities, international equities and other hard-to-value instruments including OTC derivatives. In recent years, we have invested considerable resources to expand our coverage and provide our clients with greater insight and transparency into the inputs used to derive our evaluated prices, as well as help automate and streamline key valuation processes. These offerings are complemented by a comprehensive range of reference data for more than 10 million securities that encompasses listed markets pricing, identification information, corporate actions, and terms and conditions for current and historical fixed income securities. Interactive Data Pricing and Reference Data has built a strong presence within the U.S. mutual fund marketplace and currently counts 50 of the top 50 U.S. mutual fund companies as customers as well as 10 of the top 10 custodian banks, 48 of the 50 largest U.S. banks and 32 of the top 50 hedge funds.

Interactive Data's Recent Observations on Money Market Funds

Today, dozens of mutual fund companies who manage money market funds use Interactive Data's evaluated pricing data as an input to calculate the shadow net asset values ("NAVs") of their funds. Over the past several years, many money market funds have increased the frequency with which they receive our evaluated pricing data from weekly or monthly to daily. Additionally, an increasing number of money market funds now publish daily shadow NAVs on their websites – a practice that we believe benefits a fund's retail investor base.

Operational Implications of Floating NAV Money Market Funds

As the U.S. Chamber of Commerce highlighted in its Summer 2013 Report, "Operational Implications of a Floating NAV across Money Market Fund Industry Key Stakeholders," the implications for supporting a floating NAV may be considerable in terms of both time and cost to various participants in this sector.¹ We currently anticipate that certain aspects of the proposed rule, such as implementing basis point rounding (to the nearest 1/100th of one percent), should be relatively straightforward for the industry to accommodate. Additionally, if money market funds elect to calculate their NAVs once, at the end of day as is current practice, then there will likely be no changes to our workflows and existing services. As mentioned earlier, many of our money market fund clients currently subscribe to our daily evaluated pricing data as an input to their shadow NAV calculations.

However, one potential challenge for the industry involves calculating the floating NAV of a money market fund at multiple intervals during the day, a practice that would enable these funds to preserve the benefit of same-day settlement.² This issue is analyzed in great detail in the comment letters and related reports submitted by both the U.S. Chamber of Commerce and International Cash Distributors LLC.³ As a leading provider of evaluated pricing for the debt securities typically held in an money market fund, we concur with the assertion by these organizations that providing pricing periodically during the day would require a significantly different workflow than is current practice (please note that we do not specifically endorse either organizations' estimates related to the cost or timing for achieving compliance). While the SEC is aware that most evaluated pricing vendors do not currently provide continuous pricing data throughout the day, the SEC suggests that pricing vendors will be able to help money market funds price their holdings at multiple intervals during the day.⁴

Based on our initial, preliminary assessment, we believe that we can accomplish the development necessary to support money market funds seeking to calculate their NAVs at multiple times during the day within the current proposal's two-year window for funds to achieve compliance. Such an undertaking, however, will require certain investments to evolve our capabilities and underlying systems. Fortunately, we are already actively investing to implement continuous pricing processes and expand our range of real-time fixed income pricing services to include real-time fixed income evaluations.⁵ In addition, we have been reengineering our technology infrastructure to create a unified technology architecture to facilitate cost-effective collection, aggregation and distribution of the content that supports our evaluated pricing,

¹ <http://www.sec.gov/comments/s7-03-13/s70313-43.pdf>

² <http://www.sec.gov/rules/proposed/2013/33-9408.pdf>, page 133

³ <http://www.sec.gov/comments/s7-03-13/s70313-40.pdf>

⁴ <http://www.sec.gov/rules/proposed/2013/33-9408>, page 133 (footnote 298)

⁵ <http://www.interactivedata.com/prdetail.php?pr=315>



reference data and real-time feed services as well as various other offerings. In addition, we will need to work collaboratively with our money market fund clients and their custodian and administration service providers to determine how to best address their specific requirements in connection with calculating multiple NAVs per day. We anticipate that the requirements to provide data in support of multiple NAV calculations during the day will require modest, incremental investment beyond the aforementioned investments we are pursuing.

While we are confident in our ability to assist our money market fund clients in addressing floating and multiple daily NAV requirements, we recognize that there are many systems that must be properly reconfigured with a multitude of complex interdependencies, including how they consume, process, distribute and display pricing and valuations data, in order to support the compliance efforts of money market funds. It is not clear to us at this time whether the two-year window will be sufficient for money market funds to effectively implement, test and refine the many complex systems that they and their service providers utilize to process transactions and satisfy internal and external reporting requirements.

Summary

Interactive Data appreciates the opportunity to comment on the proposed floating NAV requirement for money market funds. We believe that we are well positioned to support the evolving requirements of our money market fund clients if the floating NAV proposal is approved. With that said, these funds will need to work successfully with a wide range of service providers and invest considerably in their own technical resources in order to efficiently and effectively modify their systems and workflows in order to comply with the new regulatory requirements as proposed.

We believe that third-party valuation service providers like Interactive Data will continue to play an important role in providing the money market fund industry with high-quality evaluated pricing that can help these firms achieve the SEC's goals of addressing money market funds' susceptibility to heavy redemptions, improving their ability to manage and mitigate potential contagion from such redemptions, and increasing the transparency of their risks, while preserving, as much as possible, the benefits of money market funds. Accordingly, we look forward to working with the Commission and the investment management industry on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Mark Hepsworth".

Mark Hepsworth
President, Interactive Data Pricing and Reference Data
Interactive Data Corporation