

December 18, 2014

FSOC Seeks Public Comments on Asset Management Products and Activities

At a meeting today, the Financial Stability Oversight Council (FSOC) approved a notice seeking public comment regarding potential risks associated with asset management products and activities.

FSOC Chairman Jack Lew said that regulators will focus their data request on four key areas: liquidity and redemption risk, leverage, operational functions, and resolution in case a large asset manager either fails or closes. Lew added that “there’s no predetermined view of what the conclusion is.”

SEC Chair Mary Jo White said that FSOC’s efforts would complement her agency’s new oversight plan for the asset management industry, which she announced [in a speech](#) last week in New York, and may “further inform” the agency’s initiatives.

Federal Reserve Board of Governors Chair Janet Yellen said she is particularly interested in comments related to growing regulators’ understanding of “how, and to what extent, different types of investments funds use derivatives to attain leverage and how the risks from such exposures are being managed.”

Comments are due within 60 days after publication of the notice in the Federal Register. More information on the FSOC’s request for information may be found [here](#).