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Washington, DC; November 16, 2020—Eric J. Pan, president and CEO of the Investment Company Institute, issued the following statement in response to “Holistic Review of the March Market Turmoil,” a report issued today by the Financial Stability Board (FSB):

“The market turmoil of March was first and foremost a health crisis, triggered by COVID-19, that quickly escalated into a global economic shutdown prompting market volatility that struck every sector of the financial system. We welcome the Financial Stability Board’s holistic review of the March market turmoil and its description of those events as ‘unprecedented.’ As noted by the FSB, liquidity stress was the product of both demand- and supply-side events, ranging from increased demand by nonfinancial corporations on the capital markets, including funds, to the regulatory constraints and operational challenges that affected the role of dealers, as well as the substantial sale of US Treasuries.

“We appreciate that the FSB will coordinate an assessment by the international regulatory community to consider possible policy options. We encourage international regulators to continue to take an empirical, data-based approach; to draw careful distinctions among market participants and products; and to look carefully at market structure and the interactions between banks and other market participants. To this end, ICI looks forward to sharing with the FSB its extensive research and expertise regarding regulated funds.”

For a comprehensive look at the events of March, see the ICI’s [Report of the COVID-19 Market Impact Working Group](#).