

## Comparison Chart – Regulation 1.25, Current vs Proposed Changes

INSTRUMENT		RATING		ASSET-BASED CONCENTRATION <small>(percentage of total assets in segregation)</small>		ISSUER-BASED CONCENTRATION <small>(percentage of total assets in segregation)</small>	
CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
Treasuries	(No change)	None	(No change)	No limit	(No change)	No limit	(No change)
Municipals	(No change)	Highest short-term rating of an NRSRO or one of the two highest long-term ratings of an NRSRO	No credit rating	No limit	10%	5%	(No change)
GSE Securities	U.S. agency obligations that are fully guaranteed as to principal and interest by the U.S.	Highest short-term rating of an NRSRO or one of the two highest long-term ratings of an NRSRO	No credit rating	No limit	50%	25%	(No change)
CDs	Non-negotiable CDs	Highest short-term rating of an NRSRO or one of the two highest long-term ratings of an NRSRO for issuer or parent's commercial paper or long-term debt instrument.	No credit rating	No limit	25%	5%	(No change)
Commercial Paper	Commercial paper that is fully guaranteed as to principal and interest by the TLGP	Highest short-term rating of an NRSRO or one of the two highest long-term ratings of an NRSRO	No credit rating	No limit	25%	5%	(No change)
Corporate Notes Or Bonds	Corporate notes or bonds that are fully guaranteed as to principal and interest by the TLGP	Highest short-term rating of an NRSRO or one of the two highest long-term ratings of an NRSRO, unless asset-backed. Asset-backed corporate notes or bonds must have the highest rating of an NRSRO.	No credit rating	No limit	25%	5%	(No change)
Foreign Sovereign Debt	Eliminated						

INSTRUMENT		RATING		ASSET-BASED CONCENTRATION (percentage of total assets in segregation)		ISSUER-BASED CONCENTRATION (percentage of total assets in segregation)	
CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
Money Market Mutual Funds	(No change)	None	(No change)	No limit	10%	No limit	2% (family of funds)
In-house transactions	Eliminated						

**Additional notes:**

- Repurchase agreements with affiliates would be eliminated.
- Repurchase agreements would be subject to a 5% counterparty concentration limit (currently there is no such limit).
- The requirement that all investments be “readily marketable” would be replaced with a “highly liquid” standard.
- The rulemaking would clarify that acknowledgment letters for money market mutual funds (MMMFs) are to be from a party that has substantial control over the fund’s assets and has the knowledge and authority to facilitate redemption.
- The rulemaking would update and clarify the next-day redemption requirement for MMMFs. (Appendix A has safe harbor language for MMMF prospectuses.)
- 30.7 funds would be subject to Regulation 1.25 requirements.
- The rulemaking would require that a foreign depository have in excess of \$1 billion of regulatory capital. Currently, a foreign depository may hold 30.7 funds if it has in excess of \$1 billion of regulatory capital, but can also qualify through other means (such as having commercial paper or corporate notes/bonds that meet certain credit rating requirements or receiving specific permission from the Commission upon the request of a customer).