

ICI Voices Strong Support for Competitive Market Supervision Act of 2001, February 2001

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Washington, DC, February 14, 2001 - The Investment Company Institute (ICI), the national association of the American mutual fund industry, told the Senate Committee on Banking, Housing, and Urban Affairs today that legislation to reduce fees on securities registrations and transactions is a way to cut taxes on savings and investment. In addition, the Institute said the legislation, introduced by committee chairman Phil Gramm (R-TX) and Sen. Charles Schumer (D-NY), would allow the Securities and Exchange Commission to raise staff compensation to levels comparable to other federal financial regulators.

In a [statement](#) submitted to the committee in support of the "Competitive Market Supervision Act of 2001" (S. 143), the Institute noted that the SEC will collect more than \$2 billion in fees during the current fiscal year, far more than the agency's \$422 million budget.

"In essence, this excess revenue amounts to a needless tax on investors, the very same investors who are saving for retirement, sending their children to college, or providing otherwise for their future. S. 143 will eliminate this needless tax on investors by reducing fees collected by the SEC to an amount commensurate with the SEC's appropriated budget," Institute President Matthew P. Fink said.

The Institute has a strong [record of support](#) for providing the federal government with adequate financial resources to ensure effective regulatory oversight of mutual funds. The Institute noted that S. 143 is intended to guarantee that the SEC receives all of the funds it needs to operate.

The Institute has also for many years supported a well-funded SEC in the belief that adequate financial resources for the SEC are essential to continue effective regulatory oversight and investor protection and awareness initiatives while also enhancing the SEC's recruitment and retention efforts. In addition to ensuring that the SEC is provided adequate financial resources to fulfill its regulatory responsibilities, S. 143 will better enable the SEC to attract and keep staff.