

ICI Provides Perspective to House Subcommittee Hearing on Impact of the Volcker Rule on Mutual Funds and Investors

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The proposal to implement the Rule poses threat to markets and fund investors

Washington, DC, January 18, 2012 - Investment Company Institute President/CEO Paul Schott Stevens issued the following statement in response to today's joint hearing, "[Examining the Impact of the Volcker Rule on Markets, Businesses, Investors and Job Creation](#)," held jointly by the House Capital Markets and Government Sponsored Enterprises Subcommittee and the Financial Institutions and Consumer Credit Subcommittee:

"ICI welcomes today's hearing as part of these Subcommittees' oversight of this highly complex aspect of financial regulatory reform. The 'Volcker Rule' provision in the Dodd-Frank Act was not directed at U.S. mutual funds and other registered investment companies. Unfortunately, the current proposal to implement the Volcker Rule raises deep concerns for the U.S. registered fund industry, which manages total assets of \$12.47 trillion and serves more than 90 million shareholders. The proposal is overly broad and in the U.S., it could impede the organization, sponsorship and normal activities of registered funds, contrary to Congressional intent. Moreover, it could harm the financial markets and otherwise limit or make more expensive investment opportunities for registered funds and their shareholders.

Similar problems exist from the international perspective and if the proposal remains unchanged, U.S. financial institutions which offer global fund products will be substantially disadvantaged when competing globally in the non-U.S. retail fund business – a genuinely inappropriate result.

ICI and its members will continue to work with Congress and regulators to limit the adverse consequences of the Volcker Rule for funds and the shareholders they serve."

For a detailed explanation of the potential impact on mutual funds and their investors, please see statements for the record from [ICI](#), focusing on U.S. mutual funds, and [ICI Global](#), focusing on non-U.S. funds and implications.