

ICI Statement on House Passage of Regulatory Reform Bill

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Washington, DC, December 11, 2009 - ICI President and CEO Paul Schott Stevens made the following comment on the House of Representatives' approval of H.R. 4173, a bill designed to reform the nation's financial regulatory system:

"ICI supports modernization of the U.S. financial services regulatory framework. America's mutual fund shareholders, almost 90 million strong, need a financial system that is sound and globally competitive.

"However, a number of provisions included in the House-passed bill must be addressed as the legislative process continues. Among other things, the bill, in its current form, could subject mutual funds to wholly inappropriate forms of bank-like regulation were regulators, however improbably, to deem mutual funds to be a source of 'systemic risk.' In addition, the bill could unfairly require mutual funds and their shareholders to contribute to a dissolution fund for failing financial institutions. Mutual funds do not and cannot 'fail' in a manner that would require payments to funds or their shareholders out of any such dissolution fund.

"We look forward to continuing to work with Congress to resolve these issues."