Independent Directors Council

Promoting Excellence in Fund Governance

ICI Responds to Financial Stability Board Report

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Washington, DC, June 22, 2016—*Investment Company Institute President and CEO Paul Schott Stevens today issued the following statement in response to the report by the Financial Stability Board (FSB),* Proposed Policy Recommendations to Address Structural Vulnerabilities from Asset Management Activitie*s*:

> "We will carefully examine the FSB's report and will comment in detail on its assertions and questions. Globally, regulated funds have decades of experience in successfully managing the areas that the FSB now identifies as 'structural vulnerabilities'—liquidity management, leverage, operational risk, and securities lending.
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> "Notably, these same areas are already being reviewed globally by IOSCO, by the Securities and Exchange Commission in the United States, and by its counterparts in other jurisdictions. By virtue of their legal authority, expertise, and long-time experience, capital markets regulators are the appropriate bodies for this task.
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> "We welcome the FSB's focus on activities and practices, which we have recommended. We continue to believe that the FSB's process should be driven by historical experience and empirical data, rather than by hypothesis and conjecture. In particular, we emphasize again that there is no empirical basis for the FSB to pursue the designation of regulated funds or their managers as global systemically important financial institutions (G-SIFIs)."