NEWS RELEASE
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ICI Statement on the Federal Reserve's Enhanced Supplementary Leverage Ratio Proposal

Washington, DC; June 25, 2025—Today, Investment Company Institute (ICI) President and CEO Eric Pan released the following statement regarding the Federal Reserve Board's proposal to change the enhanced supplementary leverage ratio (eSLR) for banks.

"We welcome today's announcement that the Federal Reserve Board is proposing a change to the onerous enhanced supplementary leverage ratio (eSLR) for banks, which will allow them to play a larger role in market-making and help ease stresses in US Treasury markets. The modifications to loosen the eSLR should be acted on with urgency.

"Liquidity is fundamental to the efficient operation of financial markets. ICI has long been concerned that inappropriate or too-high capital standards have degraded market-making and thus market liquidity. The markets that regulated funds and their 120 million American shareholders participate in rely on bank capital, and tailoring capital requirements can prudently expand banks' balance sheets. That's good for American investors, and it's why we support the direction of today's action by the Federal Reserve Board."

Background:

ICI's Chief Economist Shelly Antoniewicz recently detailed why revising the SLR for banks will help ease stresses in the US Treasury market during times of market uncertainty.

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