



ICI VIEWPOINTS

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A Victory for Investors: What the New Law Means for Funds and Savers

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With the *One Big Beautiful Bill Act* now [signed](#) into law, America's investors, savers, and fund shareholders have reason to celebrate.

The final legislation delivers important outcomes for retirement savers, fund shareholders, and the broader investing public. From protecting the tax treatment of retirement accounts to preserving cross-border capital flows, the law reflects a thoughtful approach to sustaining long-term investment in the United States. Here's how key provisions in the bill affect the asset management industry and the millions of Americans who rely on regulated funds.

Protecting the Foundations of Retirement Savings

Among the most meaningful aspects of the new law is what it leaves untouched: the tax treatment of voluntary retirement accounts like 401(k)s and IRAs. Preserving these incentives ensures that more than 120 million Americans can continue building long-term financial security through tax-advantaged savings.

In recent years, there have been serious policy discussions about using retirement accounts to offset other budget priorities. This time, lawmakers chose a different path—acknowledging that the nation's retirement system is too important to be used to finance other priorities. That's why investors and retirement savers spoke up early. Through [Help U.S. Retire](#), ICI's campaign to amplify the voice of investors, thousands of Americans shared their stories directly with their elected officials.

As ICI President and CEO Eric Pan said at the campaign's launch:

"The American people want their leaders in Washington to protect the retirement system—not sacrifice it to pay for unrelated priorities."

That message resonated. Lawmakers chose to maintain the current tax incentives, reaffirming the value of long-term savings and protecting one of the most effective tools Americans have to prepare for retirement.

Ensuring Fair Taxation Without Harming Investors

A major victory for the asset management industry came with the removal of Section 899: a proposed tax on U.S.-sourced dividends and interest income paid to residents of foreign jurisdictions with unfair tax systems. While we supported the goal of countering discriminatory foreign tax regimes, we urged lawmakers to craft an exemption to avoid sweeping unintended consequences. Section 899 would have exposed fund shareholders to new taxes and discouraged foreign investment in U.S. companies—ultimately harming American savers. ICI engaged with lawmakers and the Administration to resolve the issue.

Ultimately, Treasury Secretary Scott Bessent was able to strike a deal with G7 countries that allowed Congressional leaders to feel confident removing the provision. We're [grateful](#) for their leadership and responsiveness in addressing this complex issue and helping to protect investors.

What's Next for Funds and Investors

This legislation reflects a strong recognition of the importance of long-term saving, investor access, and efficient markets. It also shows that thoughtful policymaking can deliver lasting benefits to the American public.

Looking ahead, ICI will continue working with regulators and lawmakers to:

- Advance policies that strengthen the retirement system
- Ensure U.S. capital markets remain attractive, accessible, and resilient

We remain committed to building a policy environment that supports long-term investing and delivers real value for America's savers and investors.