

ICI VIEWPOINTS

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## ICI Registers Deep Concerns with the Volcker Rule Proposal

By Rachel Graham

The “Volcker Rule” provision in the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#) was written to restrict banks from using their own resources to trade for purposes unrelated to serving clients. While the Volcker Rule was not directed at U.S. mutual funds and other registered investment companies, its [proposed implementation](#) raises deep concerns for the U.S. registered fund industry.

Broadly speaking, those concerns are the following:

- The proposal is overbroad and could impede the organization, sponsorship, and normal activities of registered funds, contrary to Congressional intent.
- The proposal could harm the financial markets and otherwise limit investment opportunities for registered funds and their shareholders.

We’ve elaborated on these concerns in a detailed [statement](#) submitted to two House subcommittees, which are holding a [joint hearing](#) today on how the Volcker Rule could impact the markets, businesses, investors, and job creation. Our colleagues at ICI Global also have submitted a [statement](#) that discusses the impact of the proposal on non-U.S. retail funds.

We at ICI will continue to bring our concerns about the Volcker Rule to the attention of Congress and the regulators, and to advocate for a final rule that does not harm funds and the shareholders they serve.

*Rachel Graham is Associate General Counsel & Corporate Secretary at ICI.*

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