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ICI Statement on House Approval of Regulated Investment Company Modernization Act

Washington, DC, September 29, 2010 - *Investment Company Institute President and CEO Paul Schott Stevens made the following statement about the recent approval by the U.S. House of Representatives of H.R. 4337, a bill designed to update the tax laws governing mutual funds:*

“We applaud House passage of the Regulated Investment Company (RIC) Modernization Act, a bipartisan bill that would modernize the tax laws governing mutual funds. ICI has long-supported Congress’s efforts to update these laws, which have not been meaningfully or comprehensively reformed for almost a quarter of a century. Enactment of this legislation would significantly benefit U.S. mutual funds and their 90 million shareholders.

“The legislation would update, clarify and streamline mutual fund tax rules. It would not only improve the efficiency of funds’ investment structures and reduce disproportionate tax consequences for inadvertent errors, but also minimize the need for amended tax statements and amended tax returns. Ultimately, this bill would eliminate uncertainties and allow appropriate innovations so that fund companies can better focus on serving their shareholders.”