

## ICI Comment Letter on Investment Company Names Rule Proposal

At the end of May, the Securities and Exchange Commission proposed amendments to Rule 35d-1 (Names Rule) under the Investment Company Act of 1940 and new requirements related to disclosure and reporting by funds. ICI filed comments on August 16. In our letter, we described serious concerns with the proposal explaining that the changes would introduce new interpretive issues as well as substantial and unnecessary complexity, burdens and costs without commensurate benefits. We urged a more targeted approach.

We also recommended that the Commission complete its disclosure reform work and evaluate how those changes improve investor understanding of funds before seeking to change the Names Rule. We also described substantial shortcomings in the Commission's economic analysis. We explained that the academic studies provided by the Commission did not suggest fund names are inaccurate (and one study pre-dated the Names Rule). We also described how the Commission had significantly underestimated the implementation and ongoing compliance costs of the new requirements. Further, we explained that the Commission had not considered unintended consequences.

Read more in the [comment letter](#).

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