

## ICI Applauds House Passage of Bipartisan Bill to Tailor Dodd-Frank Stress Testing Requirements

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## Legislation Gives SEC and CFTC Needed Flexibility to Apply Appropriate Testing to Entities Under Their Jurisdictions

**Washington, DC, March 20, 2018**—*Investment Company Institute President and CEO Paul Schott Stevens issued the following statement after the US House of Representatives passed the Alleviating Stress Test Burdens to Help Investors Act (H.R. 4566) introduced by Representative Bruce Poliquin (R-ME):*

“ICI welcomes House passage of the Alleviating Stress Test Burdens to Help Investors Act (H.R. 4566). This critical legislation provides a modest but important update to the Dodd-Frank Act that would avoid inappropriate application of bank-oriented stress testing requirements to mutual funds, other registered investment companies, and their investment advisers.

“One important lesson from the financial crisis is that banks need to be able to meet their obligations to depositors and others without government support. Testing a bank’s ability to maintain sufficient capital in stressed conditions, as contemplated by the Dodd-Frank Act, is therefore appropriate. In contrast, such testing is ill-suited to registered funds, which do not guarantee investment returns or even the return of principal to their investors. And applying these requirements to funds would simply raise costs for fund shareholders.

“In passing H.R. 4566, the House has taken the first step toward tailoring the Dodd-Frank Act so that its stress testing requirements achieve their intended purpose. This legislation also preserves the Securities and Exchange Commission’s ability to use existing authority to require more appropriate tests of how funds and their advisers would fare in turbulent markets.

“ICI applauds the bipartisan effort involved in the drafting, amending, and passing of this critical legislation, including the work of Reps. Poliquin (R-ME), Jeb Hensarling (R-TX), Maxine Waters (D-CA), and Carolyn Maloney (D-NY). We urge the Senate to act in the same bipartisan spirit so that the bill may soon be signed into law.”

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