

MEMO# 32303

March 19, 2020

Draft Letter on Volcker Rule Proposal; Comments Due to ICI by March 27

[32303]

March 19, 2020 TO: Bank-Affiliated Member Advisory Committee RE: Draft Letter on Volcker Rule Proposal; Comments Due to ICI by March 27

As we previously informed you, the five Agencies responsible for implementing Section 13 of the Bank Holding Company Act, known as the “Volcker Rule,” issued proposed amendments to the implementing regulations that focus on the “covered funds” provisions of the Volcker Rule.^[1] ICI has prepared a draft comment letter focusing on issues of importance to US registered investment companies and their foreign equivalents (collectively, “regulated funds”). So that we can finalize the letter by the April 1 deadline, please provide us with your feedback on or before March 27.

The Agencies have not proposed rule reforms to address an issue of primary concern for ICI members—whether a regulated fund could be deemed a “banking entity” in certain instances. The preamble to the proposal contains a general statement that “[t]he proposed rule would not modify or revoke any previously issued staff FAQs, unless otherwise specified.” The draft letter recommends that the Agencies include stronger language in the preamble reaffirming their intent to uphold the staff positions articulated in the FAQs.

The draft letter expresses strong support for the proposed changes to the “foreign public fund” exclusion, while acknowledging that the changes do not provide full comparability in treatment between US registered investment companies and their foreign equivalents.

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[Attachment](#)

endnotes

[1] For a summary of the proposal, see ICI [Memorandum No. 32198](#), dated February 6, 2020.

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