

MEMO# 31844

July 10, 2019

Your Feedback Requested on ICI Draft Comment Letter on Federal Reserve Board "Control" Proposal

[31844]

July 10, 2019 TO: Bank-Affiliated Member Advisory Committee
Chief Compliance Officer Committee
Chief Risk Officer Committee
SEC Rules Committee RE: Your Feedback Requested on ICI Draft Comment Letter on Federal Reserve Board "Control" Proposal

As we indicated previously, the Federal Reserve Board has issued a proposal to revise its rules regarding the definition of "control" in the Bank Holding Company Act and the Home Owner's Loan Act ("Proposal"). More specifically, the proposed revisions relate to determinations of whether a company has the ability to exercise a "controlling influence" over another company for purposes of those statutes. The Proposal has potential implications for banking organizations' investments in regulated funds (including seed investments) and for regulated funds' (and other advisory clients') investments in securities issued by banking organizations.

Attached for your review is ICI's draft comment letter on the Proposal, which we plan to file by July 15. Please note that based on input from members and internal deliberations, the draft letter departs in certain respects from the document we circulated to you on June 26.

Please provide any comments on the draft letter as soon as possible, preferably no later than Friday, July 12. Please provide your feedback to us at rgraham@ici.org and frances@ici.org.

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