

NEWS RELEASE

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ICI and ICI Global Respond to Financial Stability Board's Consultation on Global Systemically Important Financial Institutions

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London, 08 January 2014 - Today, Dan Waters, Managing Director of ICI Global, and Karrie McMillan, General Counsel of the Investment Company Institute, made the following statement about the Financial Stability Board's (FSB) issuance of a consultation on Global Systemically Important Financial Institutions (G-SIFIs):

"As the FSB's consultative document recognises, asset managers act as agents on behalf of investment funds and other clients. Unlike banks and insurance companies, asset managers do not invest on a principal basis and do not take on balance sheet risk. Thus, a fund's portfolio results—whether positive or negative—belong solely to the fund's shareholders, and do not flow through to any other fund, to the asset manager, or to the financial markets at large. ICI and ICI Global continue to maintain that, as a result of their structure, operations, and regulation, regulated funds and their managers have not been and are highly unlikely to be a source of systemic risk."

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