

European Supervisory Authorities Proposal Threatens to Erect New Barriers for Funds and Investors

Washington, DC, 20 September 2017—*ICI President and CEO Paul Schott Stevens issued the following statement in response to the European Commission's adoption of a proposal and communication following its review of the European Supervisory Authorities (ESAs):*

"As a global association representing the interests of funds and their investors located around the world, ICI strongly supports the goal of supervisory convergence in the European Union. When done properly, supervisory convergence, like that envisioned for the European Securities and Markets Authority, can lower barriers and improve efficiencies in markets to the benefit of funds and investors.

"The Commission's proposed approach, however, risks closing off Europe to third-country fund managers by limiting delegation of asset management functions across borders. This provision is offered despite the clear success of the current delegation model. The proposal also puts at risk the success of UCITS, the only truly global investment product.

"Regrettably, the Commission's approach is likely to inspire policymakers in regions around the world to reconsider terms of access for European managers to their markets. New rounds of protectionism can only harm markets and investors around the world."