

ICI President Issues Statement on Additional Legislation Proposed by Members of the Senate Governmental Affairs Committee, February 2004

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Fink says vague provisions in bill “would seriously jeopardize the interests of current and future mutual fund investors”

Washington, D.C., February 9, 2004 - The following statement is from Investment Company Institute President Matthew P. Fink:

“Though we have not yet had time to study in detail the bill introduced today by Senators Fitzgerald, Levin and Collins, we recognize it represents a comprehensive effort to address a broad range of mutual fund issues. The bill contains provisions that mirror important SEC proposals to address trading abuses and enhance investor understanding of mutual funds.

“We are nevertheless concerned that [the bill](#) contains many ill-defined new legal standards that could change mutual funds’ essential structure. These changes could produce major dislocations and unintended consequences that would deter innovation, diminish competition, breed litigation and, as a result, harm current and future generations of mutual fund shareholders.

“Since news about trading abuses involving mutual funds was first revealed on September 3, the ICI has taken numerous steps to rededicate our work to the bedrock principle that the interests of mutual fund investors always come first. We have called for several hard-hitting, controversial regulatory initiatives, supported virtually all of the sweeping proposals contained in SEC Chairman Donaldson’s mutual fund reform action plan, and urged government officials to follow every trail and to send those who violated criminal laws to prison.

“The ICI and its members remain fully committed to working with government officials constructively and proactively to restore confidence in mutual funds. We are concerned that key provisions in the bill introduced today will accomplish just the opposite.”