



April 11, 2018

The Honorable Paul Ryan  
Speaker of the House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader, House of Representatives  
H-204, The Capitol  
Washington, DC 20515

Dear Speaker Ryan and Leader Pelosi,

The Securities Industry and Financial Markets Association (SIFMA)<sup>1</sup> urges the House of Representatives to approve H.R. 4061, the Financial Stability Oversight Council Improvement Act of 2017. Introduced by Representatives Dennis Ross (R-FL) and John Delaney (D-MD), this bipartisan bill would codify into law improvements put in place by the Financial Stability Oversight Council (FSOC) to the transparency and systemically important financial institution (SIFI) designation process, and enable non-bank financial companies to self-cure by carrying out certain de-risking activities prior to being designated SIFIs. By promoting transparency in the SIFI designation process, this legislation will facilitate clearer analysis of the methods that the FSOC uses to assess the unique characteristics of risk associated with the asset management industry.

SIFMA represents a broad swath of the asset management industry, whose investors maintain legal ownership and control over their assets and make decisions on how their assets are allocated. The success or failure of an asset management firm does not impact investors' assets. Asset managers and the funds they manage therefore do not pose the systemic risks that may exist elsewhere. Designating an asset management company as a systemically important financial institution has significant consequences, imposing stringent, bank-like capital standards resulting in undue and burdensome costs that would be passed onto investors, ultimately harming their retirement savings and future financial security.

SIFMA believes that this commonsense, bipartisan legislation will help preserve fund managers' ability to serve investors, facilitate capital formation, and drive economic growth, and we urge House passage.

Sincerely,

Kenneth E. Bentsen, Jr.  
President & CEO  
Securities Industry and Financial Markets Association

cc: The Honorable Dennis Ross  
The Honorable John Delaney

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<sup>1</sup> SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).