



April 12, 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. 4790, the Volcker Rule Regulatory Harmonization Act. Introduced by Representative French Hill (R-AR) and amended by Representative Bill Foster (D-IL), this bipartisan legislation would streamline the Volcker Rule's overly-complicated compliance regime and install a more appropriately tailored regulatory structure.

The Dodd-Frank Act gave five different regulatory agencies responsibility for drafting and enforcing the Volcker Rule with Congress failing to give any one agency primary authority. Additionally, Congress did not give the Treasury Department any real tools to compel coordination or consistency in interpretation or enforcement. Having five different regulators attempt to write rules and guidance has not proven to be an efficient regulatory framework. There have been numerous cases of market participants receiving contradictory supervisory guidance from the agencies due to a lack of agreement among regulators on interpretive questions in a process that requires unanimity to provide clarity. In fact, the Volcker Interagency Working Group, established as a forum for the regulators to jointly issue guidance about the Rule, has only responded to 21 FAQs out of the hundreds submitted by the firms they regulate.

H.R. 4790 would designate the Federal Reserve as the lead regulator for the Volcker Rule with rulemaking and interpretative authority in consultation with the other agencies. This modest reform will ensure that the Volcker Rule is implemented consistently across the financial services industry, prevent conflicts, and increase accountability. Importantly, this legislation also provides meaningful relief for smaller financial institutions. As Congress considers recalibration of the financial regulatory framework, commonsense, bipartisan measures like this will allow market participants to safely and efficiently implement rules designed to enhance the overall resiliency of the financial system. We urge the House of Representatives to approve this bipartisan legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Bentsen", is written over a horizontal line.

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

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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 \$18.5 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). For more information, visit <http://www.sifma.org>.

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