



November 14, 2017

The Honorable Jeb Hensarling
Chairman, House Committee on Financial
Services
2228 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member, House Committee on Financial
Services
2221 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

The Securities Industry and Financial Markets Association (SIFMA)¹ urges the House Committee on Financial Services to approve H.R. 3093, the Investor Clarity and Bank Parity Act. Offered by Representatives Michael Capuano and Steve Stivers, this bipartisan bill would make a targeted, technical correction to Section 613 of the Dodd-Frank Act, commonly known as the Volcker Rule. This correction will ensure transparency and investor certainty while preserving the original intent of the Volcker Rule.

The Volcker Rule's final implementing regulations placed significant restrictions on the ability of bank entities, and investment managers owned by banks, to sponsor hedge funds and private equity funds. The intent was to prevent investor confusion about who ultimately bears the risk of loss associated with covered funds. However, the final rule extended this "naming prohibition" to the individual investment advisors that manage the funds. Since many private funds are appropriately named to include a reference to the investment adviser that manages the investments in the fund, the "naming prohibition" would likely only confuse investors without providing any additional safeguards. H.R. 3093 would amend the "naming prohibition" to permit a separately branded investment adviser the ability to share their name with the funds it manages.

Legislative action is necessary to provide relief from the overly strict naming restriction included in the Volcker Rule, and we encourage the committee to favorably report this legislation.

Sincerely,

Andy Blocker
Executive Vice President
Public Policy & Advocacy

cc: The Honorable Michael Capuano; The Honorable Steve Stivers

¹ 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). For more information, visit <http://www.sifma.org>.