

**Meeting Between Staff of the Federal Reserve Board and the Investment Company
Institute
February 28, 2018**

Participants: Sean Campbell, Anna Harrington, Amy Lorenc, Brian Chernoff, Greg Frischmann, Kirin Walsh (Federal Reserve Board)

Ursula Pfeil (PNC), Mara Shreck (JPMorgan Chase), Robert Tuleya (M&T Bank), Michael Wynn (Goldman Sachs), Chris O'Dell (Morgan Stanley), Rachel Graham (Investment Company Institute), Frances Stadler (Investment Company Institute), Satish Kini (Debevoise & Plimpton), David Portilla (Debevoise & Plimpton)

Summary: Staff of the Federal Reserve Board met with representatives of the Investment Company Institute (“ICI”) and its members to discuss section 13 of the Bank Holding Company Act of 1956 and its implementing regulations (commonly referred to as the “Volcker Rule”). The representatives of ICI discussed the treatment of U.S. registered investment companies and regulated foreign public funds. These representatives encouraged the Board to consider amending the Volcker Rule’s implementing regulations to exclude registered investment companies and regulated foreign public funds from the definition of “banking entity” and to modify the exclusion for foreign public funds from the definition of “covered fund.”

Regulated Funds and the Volcker Rule: Three Proposed Revisions

The Volcker Rule was never intended to apply to US registered investment companies (“RICs”) and similar funds organized outside the United States (“regulated non-US funds”). Yet, the implementing regulations apply the Rule in a manner that, in various circumstances, impedes the organization, sponsorship and operation of regulated funds. The Agencies should adopt **three key revisions** to resolve these issues.

