



MANAGED FUNDS
ASSOCIATION

Statement

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MFA STATEMENT ON PROPOSED FINANCIAL TRANSACTION TAX

PROPOSAL WOULD HARM, NOT HELP, INDIVIDUAL SAVINGS AND INVESTMENTS; GENERATE NO NEW REVENUE

WASHINGTON, D.C. – Managed Funds Association President and CEO Richard H. Baker today issued the following statement on the financial transaction tax proposal from Congressman Chris Van Hollen, the top Democrat on the House Budget Committee:

“MFA shares the view of Congressman Van Hollen and other Members of Congress that policy makers should put forward sound, sensible and smart policy initiatives that strengthen our nation’s economic recovery, stimulate job creation and investment activity and, importantly, assist our nation’s middle class families. This proposed tax, however, will not accomplish that goal. Instead, it will undermine investment activity, liquidity and capital formation at a time when economies around the world, including the U.S., are increasingly turning to alternative sources of financing and investment beyond that of traditional financial institutions. This is particularly important given the constraints on their balance sheets brought about by Dodd-Frank and other global regulation.”

“Moreover, the lessons learned from previously implemented financial transactions taxes are that they do not generate new revenue but rather alter behavior in a way that would undermine the competitiveness of U.S. capital markets and weaken our nation’s standing as the epicenter of global capital formation. In fact, according to the European Commission, similar taxes in the EU have resulted in decreased economic activity.”

“Finally, this proposal would harm pension funds, colleges, universities and endowments, which invest in our economy to provide scholarships for deserving students, advance vital research and secure retirement savings for our nation’s workers. Treasury Secretary Jack Lew noted this during his confirmation hearing, reporting that similar taxes would ‘burden retail investors.’”

About Managed Funds Association

The Managed Funds Association (MFA) represents the global alternative investment industry and its investors by advocating for sound industry practices and public policies that foster efficient, transparent, and fair capital markets. MFA, based in Washington, DC, is an advocacy, education, and communications organization established to enable hedge fund and managed futures firms in the alternative investment industry to participate in public policy discourse, share best practices and learn from peers, and communicate the industry’s contributions to the global economy. MFA members help pension plans, university

endowments, charitable organizations, qualified individuals and other institutional investors to diversify their investments, manage risk, and generate attractive returns. MFA has cultivated a global membership and actively engages with regulators and policy makers in Asia, Europe, the Americas, Australia and all other regions where MFA members are market participants.

For more information, please visit: www.managedfunds.org.

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