

**MEMO# 29328**

September 9, 2015

## **IDC Comment Letter on SEC Concept Release on Audit Committee Disclosure**

[29328]

September 9, 2015

TO: INVESTMENT COMPANY DIRECTORS No. 28-15  
CLOSED-END INVESTMENT COMPANY COMMITTEE No. 21-15  
SEC RULES COMMITTEE No. 30-15  
ACCOUNTING/TREASURERS COMMITTEE No. 23-15 RE: IDC COMMENT LETTER ON SEC  
CONCEPT RELEASE ON AUDIT COMMITTEE DISCLOSURE

IDC filed the attached comment letter on the SEC's concept release on expanded audit committee disclosures. [\[1\]](#) The concept release sought public comment on whether there would be benefit from requiring audit committees to provide additional audit committee report disclosure. Specifically, the concept release asked whether additional disclosure about an audit committee's oversight of the independent auditor would assist investors in making investment decisions, or better inform proxy voting decisions regarding ratification of the auditor and the election of directors who are members of the audit committee.

In its letter, IDC notes that existing audit committee disclosure requirements apply to closed-end funds, and not to open-end funds. IDC's letter then says that the disclosure contemplated by the concept release is not material information that would help closed-end fund investors in making investment or proxy voting decisions. The letter also expresses concern that the suggested disclosure could chill closed-end fund audit committee discussions and adversely impact audit committee practices, with little or no benefit to closed-end fund investors.

In response to a question about whether the disclosure described by the concept release should be made by "all issuers," IDC's letter explains why it would not make sense for open-end funds.

Lisa C. Hamman  
Senior Associate Counsel

[Attachment](#)

## endnotes

[1] [See Memorandum No. 29158](#) (July 9, 2015) for a summary of the concept release Possible Revisions to Audit Committee Disclosures, Rel. No. 33-9862; 34-75344.

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