

**MEMO# 32149**

January 16, 2020

# **ICI Draft Comment Letter on SEC Advisers Act Advertising and Cash Solicitation Rule Proposal; Feedback Requested by January 27**

[32149]

January 16, 2020 TO: Advertising Compliance Advisory Committee  
Broker/Dealer Advisory Committee  
Investment Advisers Committee  
SEC Rules Committee  
Small Funds Committee RE: ICI Draft Comment Letter on SEC Advisers Act Advertising and Cash Solicitation Rule Proposal; Feedback Requested by January 27

In December, the Securities and Exchange Commission issued a proposal amending the Advisers Act Advertising and Cash Solicitation Rules.[\[1\]](#)

The ICI draft comment letter supports the SEC's modernization of these rules. To provide clarity to market participants, reduce unnecessary burdens on registered funds, and to maintain consistent investor protection, the draft comment letter recommends that the SEC:

- Expand the scope of the Advertising Rule to 3(c)(1), 3(c)(7), and 3(c)(5) private pooled investment vehicles.
- Clarify explicitly that registered fund communications already subject to Commission or FINRA regulation are outside the scope of the proposed Advertising Rule.
- Support changes to Commission and FINRA rules to align with the proposed Advertising Rule and provide registered funds more flexibility to report related or hypothetical performance.
- Codify the exclusion of registered fund solicitation from the Cash Solicitation Rule in the rule text.

We would very much welcome your feedback on the draft comment letter. Please provide any comments to me ([bridget.farrell@ici.org](mailto:bridget.farrell@ici.org)) by close of business Monday, January 27. There are a few places (bracketed) where we believe your insights and experience could help bolster the final comment letter.

Comment letters are due to the SEC on February 10.

Bridget Farrell  
Assistant General Counsel

[Attachment](#)

**endnotes**

[1] See Investment Adviser Advertisements; Compensation for Solicitation, Investment Advisers Act Release No. 5407 (Nov. 4, 2019), *available* at <https://www.sec.gov/rules/proposed/2019/ia-5407.pdf>. See also ICI's memorandum discussing the release: [https://www.ici.org/my\\_ici/memorandum/memo32054](https://www.ici.org/my_ici/memorandum/memo32054).

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