

MEMO# 31139

March 20, 2018

SEC's Dalia Blass Addresses Board Outreach Initiative in Speech

[31139]

March 20, 2018 TO: Investment Company Directors SUBJECTS: Fund Governance
Valuation RE: SEC's Dalia Blass Addresses Board Outreach Initiative in Speech

On March 19, Dalia Blass, the SEC's Director of the Division of Investment Management, highlighted the division's Board Outreach Initiative and other matters in a speech.[\[1\]](#)

Regarding the Board Outreach Initiative, Ms. Blass stated that the goal of the project "is to understand where board oversight is most valuable." She reported that division staff has been meeting with fund boards and groups of independent directors and that they will be comparing what they learn with current board responsibilities and asking whether they can do anything to improve the ability of fund boards to serve shareholders. She stated that they heard similar themes at these meetings, including the importance of respecting the line between oversight and management. Ms. Blass stated that they have prioritized for consideration the areas of valuation oversight and review of affiliated transactions. She stated that the staff has started to work on options for updating valuation guidance to reflect evolution in the markets and the standards for accounting, auditing and reporting, though that work is in the early stages.

Other subjects addressed by Ms. Blass in her speech include:

- the division's analytical work and its internal tool for looking holistically at data from registrants and other sources, running custom queries across thousands of funds, and improving the disclosure review process;
- exchange-traded funds (ETFs) and the division's high priority for delivering a recommendation to the Commission for a rule that would obviate the need for ETF sponsors to obtain exemptive relief from the SEC before entering the market; and
- index providers to mutual funds and ETFs and whether to revisit their status as investment advisers as market practices around indexes change.

Annette Capretta
Deputy Managing Director

endnotes

[1] Ms. Blass's keynote address at the ICI 2018 Mutual Funds and Investment Management Conference is available at <https://www.sec.gov/news/speech/speech-blass-2018-03-19>.

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