

MEMO# 28880

April 6, 2015

Draft ICI Comment Letter on SEC's Proposal to Require Disclosure of Hedging by Employees and Directors; Member Feedback Requested by Monday, April 13

[28880]

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TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 5-15
ETF ADVISORY COMMITTEE No. 8-15
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 8-15
SEC RULES COMMITTEE No. 10-15 RE: DRAFT ICI COMMENT LETTER ON SEC'S PROPOSAL TO REQUIRE DISCLOSURE OF HEDGING BY EMPLOYEES AND DIRECTORS; MEMBER FEEDBACK REQUESTED BY MONDAY, APRIL 13

As previously reported, the Securities and Exchange Commission ("SEC") has proposed rule amendments to require certain companies to disclose whether they permit employees and directors to hedge their companies' securities. [\[1\]](#) The Proposal is intended to implement Section 955 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The SEC is proposing to require closed-end funds that have shares listed and registered on a national securities exchange to provide the proposed disclosure. The SEC is not proposing to impose the requirement on other types of funds (i.e., mutual funds and exchange-traded funds).

Attached for your review is ICI's draft comment letter on the Proposal. Please provide any comments on the draft letter to Jennifer Choi at (202) 326-5876 or at jennifer.choi@ici.org by Monday, April 13.

Jennifer S. Choi
Associate General Counsel

[Attachment](#)

endnotes

[1] Disclosure of Hedging by Employees, Officers and Directors, 80 FR 8486 (Feb. 17, 2015), available at <http://www.gpo.gov/fdsys/pkg/FR-2015-02-17/pdf/2015-02948.pdf> ("Proposal"). For a summary of the Proposal, see ICI's memorandum No. 28733 (Feb. 13, 2015), available at http://www.ici.org/my_ici/memorandum/memo28733.

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