

**MEMO# 35634**

February 27, 2024

# ICI Global 2024 Policy Priorities

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TO: ICI Members

ICI Global Members SUBJECTS: International/Global RE: ICI Global 2024 Policy Priorities

Dear Members,

With the start of the new year, we wanted to share the ICI Global 2024 policy priorities that we formulated through our engagement with all of you across our various global committees. We are excited to continue our work together and, as always, we welcome your feedback.

## 1. ICI Global shaped asset management policy improvements in 2023

Before looking ahead to 2024, let's reflect on policy outcomes from last year.

- Successfully injected necessary flexibility into the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO)'s liquidity management tools proposals, in partnership with peer trade associations;
- Persuaded policymakers to exempt many ICI funds and managers across the globe from the EU's proposed Corporate Sustainability Due Diligence Directive (CSDDD);
- Through frequent engagement with key EU policymakers, successfully thwarted efforts to constrain delegation of portfolio management outside of the EU as part of the review of the UCITS Directive and the Alternative Investment Fund Managers Directive;
- Ensured our members who develop proprietary ESG assessments of companies and funds would not be subject to a new regulatory regime under the EU Parliament's amendments to the ESG Ratings Regulation;
- Engaged with the Japanese government on a project to share best practices and lessons learned on reforming and growing the asset management sector.

## 2. 2024 elections provide opportunities to highlight the important role of investment funds

Turning to this year, elections in the EU, UK, and US will provide an opportunity for ICI Global to educate new policymakers on investment funds as a key plank of robust capital markets.

ICI Global will also use the pause in the legislative cycle in Europe to connect asset management to political priorities of the incoming class of officials.

In the EU, we will demonstrate through white papers, research, speeches and seminars that in an enabling regulatory environment, regulated investment funds contribute to retirement security, economic growth and competitiveness, and climate sustainability.

### 3. Sustainable finance remains a key focus in 2024 for ICI Global

We will continue to address regulatory fragmentation and inform policymakers that governments must lead the way on sustainable and transition finance. While asset managers can play an important supporting role, they cannot be the primary drivers of economic change.

With the rules of the Sustainable Finance Disclosure Regulation becoming increasingly complex, we will push EU policymakers to propose reforms that will simplify disclosures while facilitating retail investor choice.

In Asia, we will push for less fragmented rules and regulatory top-ups to Article 8 and 9 funds.

ICI Global recently launched a transition finance working group that will provide thought leadership on this burgeoning regulatory area. If you are interested in joining the working group, please reach out to [Elizabeth.Lance@ici.org](mailto:Elizabeth.Lance@ici.org).

### 4. ICI Global will resist central banks efforts to impose bank-like rules on investment funds

ICI Global is actively engaging with policymakers on their concept of applying bank-like macroprudential tools to non-bank financial institutions, and we will vigorously oppose efforts to apply such tools to regulated funds.

The new [liquidity management recommendations](#) from the FSB and IOSCO are more flexible than originally proposed, but ICI Global will monitor implementation across jurisdictions to ensure that this flexibility is maintained. IOSCO will also be writing an update to its 2018 guidelines on implementing LMTs, and we will track this to ensure that flexibility remains central to these guidelines.

We will also follow the FSB's active agenda on leverage and cleared and uncleared margining practices.

### 5. Increasing retail investor participation in capital markets is a priority

A positive trend across many jurisdictions is the focus on improving retail investor participation in capital markets, facilitated by digitalization. ICI Global will examine the growth of products that offer retail investors' access to alternative assets, including revisions to the European Long Term Investment Fund (ELTIF) in the EU.

We will also continue to assess the important role of technology, digitalization, and AI in the investment fund sector.

And we are engaging with stakeholders in both Japan and China on retail savings initiatives. In Japan, we published a paper [in English](#) and [Japanese](#) on retirement savings reforms and the development of defined contribution plans.

In the EU we will resist efforts to compare cost and performance of open-ended funds to overly blunt regulatory benchmarks.

6. T+1 settlement should be the global markets standard

On market and investing issues, we will lead on moving policymakers and the industry toward T+1 as the global industry standard for securities settlement.

We are also directing a working group at IOSCO on the intersection of index providers and asset managers to address any conduct concerns and establish best practices if appropriate.

And we will engage with US and EU governments on sanctions and outbound investment screening regimes to encourage clear, predictable, and operationally feasible rules for cross-border investments, including those directed to Chinese markets.

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