

VIDEO

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Focus on Funds: Latest on Global Fund Regulation

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In the October 3, 2014, edition of Focus on Funds, ICI Global Chief Counsel Susan Olson talks about her appearance at the Financial Times's Investment Management Summit: Europe, and offers perspective on current trends in global fund regulation.

Transcript

Stephanie Ortbals-Tibbs, Director, ICI Media Relations: Welcome to Focus on Funds, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

What are the top global regulatory trends facing funds? Recently, one of ICI's top lawyers, Susan Olson, spoke on this topic in London. And afterwards, I asked her what she sees.

Susan Olson, ICI Global Chief Counsel: They had sort of talked about the panel being about arbitrage, but I said our experience with our members was more focused on the complexity and the complications that the various financial reforms have made over the past couple years: how they've come together, how they've overlapped each other, been somewhat inconsistent. You have funds that are distributed cross-border, or their shareholders actually move cross-border so that may trigger some rules for you to adapt to. You also have funds investing cross-border. And you have a lot of issues that come out of that. When do you trigger local rules when you thought you were just operating under your own country's regime of laws?

Stephanie Ortbals-Tibbs: You ticked through a number of particular legislative proposals that illustrate that. What are some of the ones that stood out to you?

Susan Olson: So, we had issues with, over the past few years, talking about the Alternative Investment Fund Manager's Directive because you trigger that if you market into the EU, so people wanted to make sure that they understood what that meant. So, even if you thought you were a U.S. fund, you wanted to make sure you weren't inadvertently brought into that regime.

We had a lot of issues coming up related to the Russian sanctions and making sure that

people understood when you talk about an issuer being blocked that it meant the same thing if it was an EU sanction versus a U.S. sanction. So we would go and talk to the U.S. regulators as they were trying to develop their sanctions regimes. We also worked with our members to make sure they understood how these sanctions might work or intersect with each other.

Stephanie Ortvals-Tibbs: You talked earlier about understanding what the regulations say. One thing that you emphasized as well is that it would be very helpful to perhaps, as you said, “take a rest.”

Susan Olson: So I feel like our members are struggling with making sure they capture and understand all the regulations that might apply to them. So they want to understand how those rules work. There’s just been a lot of changes going on and it would be nice if regulators could take a pause. Let’s see where we are. Let’s see, what is the impact of all these changes, and how is it affecting the business and investors, as importantly.

Stephanie Ortvals-Tibbs: That’s this week in funds. See you next week.

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- [FT Investment Management Summit: Europe](#)

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