

VIDEO

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Focus on Funds: Funds and Investors on Watch for New US Regulations

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The US Securities and Exchange Commission (SEC) soon will make several decisions affecting fund management and fund investors, including issuing the long-awaited Regulation Best Interest. After SEC Chairman Jay Clayton appeared at ICI's recent General Membership Meeting, ICI General Counsel Susan Olson discussed the hottest topics.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: What's on the agenda for funds at the US Securities and Exchange Commission [SEC]? At ICI's recent General Membership Meeting, the chairman gave us his priorities. And ICI's general counsel, Susan Olson, broke them down for me.

Susan Olson, ICI general counsel: The chairman talked about the private markets and how those have grown, and he is interested in thinking more about: is there a way that retail investors can have more access to those private markets? And mutual funds could participate in that. He really does feel that that's potentially a missed investment opportunity for Main Street investors, and he wants to think about how they can improve access to those markets but also maintain strong investor protections, too.

Ortvals-Tibbs: Obviously, everyone would like to know what [SEC Chairman] Jay Clayton has to say about the best-interest standard.

Olson: He was very concerned about the uncertainty in the market, that people were confused, and that that really adds costs for investors. So for him, getting involved in what the standard should be and how to rationalize the situation and improve it so that investors better understood what standard they could expect was very, very important. And getting rid of these costs by decreasing the uncertainty was definitely going to be a priority. The Commission and the staff have been very hard at work with this for over two years—you know, all hands on deck—and they're working very diligently, and it sounded like we should expect to see something soon.

They clearly want to preserve the commission-based model. He thinks that's important to competition in the markets, to investor needs, that there are some investors who would

benefit from having that available to them.

Ortbals-Tibbs: So it sounds like whatever comes out, we can expect that it'll look different than what the DOL [Department of Labor] had put out several years ago.

Olson: Exactly. But we do think it'll be sensitive to the needs of investors, and that's really what we all should be thinking about.

Additional Resources

- [ICI Viewpoints: SEC Chairman Jay Clayton Tackles Hot Topics at GMM](#)
- [Video: 2019 GMM Regulatory Session: A Conversation with SEC Chairman Jay Clayton](#)
- [Highlights: 2019 General Membership Meeting](#)

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