

IDC UPDATE

June 10, 2021

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IDC Hosts Virtual Workshop for Fund Directors

IDC's [Fund Directors Workshop](#) was held virtually on Thursday, June 3, with near record attendance. Governing Council Chair Kathie Barr (independent director, William Blair Funds and Professionally Managed Portfolios) launched the workshop with opening remarks, followed by a fireside chat with Securities and Exchange Commission (SEC) Commissioner Hester Peirce and IDC Managing Director Tom Kim addressing wide-ranging industry and governance issues. Bob Chersi (independent director, Thrivent Funds) also moderated a highly informative discussion on the dynamic state of the asset management industry with Tom Faust (Morgan Stanley Investment Management), Catherine Newell (Dimensional Fund Advisors), and Jane Carten (Saturna Capital). The workshop concluded with Ron O'Hanley (State Street) and Greg Ratliff (independent director, Domini Funds) discussing highly dynamic environmental, social, and governance (ESG) developments with Gale Caruso (independent director, Pacific Life Funds and Matthews Asia Funds).

If you registered for the workshop and missed a session or would like to review the sessions again, on-demand recordings are available on the workshop platform until July 3. You can use the same login credentials you initially received to access the platform. If you were not able to register for the workshop and want to watch the sessions, you may still [register here](#) to access them. Please email conferences@ici.org if you have any questions.

Register Now: IDC Webinar on Digital Assets

On June 22, IDC will host "[Digital Assets: What Fund Directors Need to Know from a Regulatory and Operational Perspective](#)." Chris Wilson (independent directors and chair, Invesco Funds) will moderate a panel featuring Jennifer B. McHugh (senior special counsel, SEC Division of Investment Management), Paulita Pike (partner, Ropes & Gray), and Marty Burns (chief industry operations officer, ICI). Panelists will discuss regulatory compliance and operational considerations associated with investment management activity in cryptocurrency and other digital assets, including portfolio management and disclosure to help fund directors get a sense of what they should know in their oversight role. [Register for the webinar](#).

ICI Comment Letter on Universal Proxy Proposal

On April 16, the SEC [reopened](#) the comment period for its [2016 universal proxy proposal](#). The proposal, which would amend the proxy rules to require the use of universal proxy

cards in contested director elections, would apply to operating company issuers but not to registered investment companies or business development companies as issuers. In reopening the comment period, the SEC cites developments in proxy contests, corporate governance, and shareholder activism that have occurred since the 2016 proposal was published, including with respect to closed-end funds. The reopening release asks several questions, including whether the proposed amendments should apply to funds. On June 7, ICI [submitted a comment letter](#) reiterating its support for universal proxy requirements on behalf of funds as investors in underlying operating companies. ICI's letter also highlights important differences between funds and operating companies, and explains why the universal proxy requirements should not apply to closed-end funds. ICI's memorandum summarizing the letter is available [here](#) (login required).

SEC Staff to Consider Further Action on Regulation of Proxy Voting Advice

On June 1, SEC Chair Gary Gensler issued a [public statement](#) directing the SEC staff to consider "whether to recommend that the Commission revisit" recent regulatory action that interpreted proxy voting advice provided by proxy advisory firms generally to be a "solicitation" subject to the proxy rules and that any person engaged in a solicitation through proxy voting advice must not make materially false or misleading statements or omit material facts.

The SEC's Division of Corporation Finance issued a [related statement](#) announcing that it would not recommend enforcement action against a proxy firm that fails to comply. In response, Commissioners Hester Peirce and Elad Roisman issued a [joint statement](#) questioning what had changed "since the SEC last considered this issue" and "how the Commission would justify a departure from its long-standing legal interpretation about proxy solicitation." A summary of these developments is available [here](#) (login required).

ICI Responds to Former SEC Chair Lee's Request for Public Input on Climate Change Disclosures

ICI recently filed a [comment letter](#) responding to a [public statement](#) by then acting chair of the SEC, Allison Herren Lee, requesting public input from on climate change disclosures. ICI's letter recommends that, among other things, the SEC 1) require both public and private companies that meet certain asset and shareholder thresholds to disclose specified data related to certain greenhouse gas emissions; 2) work to address companies' concerns regarding potential liability associated with disclosing climate change-related information in regulatory filings; and 3) seek to "promote a global baseline of consistent and comparable sustainability-related disclosure." ICI's memorandum summarizing the letter may be [accessed here](#) (login required).

Mark Your Calendar for Upcoming Events

*All times are shown in **eastern time (ET)**.*

Webinar

- [Digital Assets: What Fund Directors Need to Know from a Regulatory and Operational](#)

[Perspective: June 22, 2:00 p.m.](#)

Foundations for Fund Directors®

- [June 24-25 \(Virtual\)](#)
- September 13-14

Industry Segment Calls

- [Audit Committee Chairs: June 14, 2:00 p.m.](#)
- [Directors of Small Funds: June 29, 1:00 p.m.](#)
- [Governance Committee Chairs: June 30, 2:00 p.m.](#)

Please contact [Paul Mussoni](#) for additional information. A list of IDC events can be found on [IDC's website](#).

For more information about IDC, please contact idc@ici.org. If you are experiencing technical problems, please contact the webmaster@ici.org. To opt out of receiving IDC Update, please contact [ICI Member Services](#).

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