

IDC UPDATE

July 8, 2021

IDC Update: June 24, 2021

SEC Releases Spring 2021 Regulatory Agenda; Commissioners Peirce and Roisman Issue Response

Earlier this month, the Securities and Exchange Commission (SEC) released its [Spring 2021 Unified Agenda of Regulatory and Deregulatory Actions](#). The [agenda](#) includes regulatory actions that the SEC expects to take between now and April 2022. The SEC plans to consider rule proposals covering, among other things, corporate board diversity and climate change disclosure, proxy voting advice, money market reform, ESG rules for investment companies and investment advisers, and open-end fund liquidity and dilution management. The SEC also anticipates adopting final rules relating to tailored shareholder reports, among other topics. ICI's memorandum summarizing the agenda is available [here](#) (login required).

SEC Commissioners Hester Peirce and Elad Roisman issued a [public statement](#) in response to the agenda observing that “[w]hile there are important and timely items on the list...the [a]genda is missing some other important rulemakings, including rules to provide clarity for digital assets.” In addition, the two commissioners cautioned that “reopening large swathes of work that was just completed without new evidence to warrant reopening is not normal practice,” and the “inclusion of these rules in the [a]genda undermines the Commission’s reputation as a steady regulatory hand.”

IDC Holds Webinar on Digital Assets

On June 22, IDC hosted a webinar on “Digital Assets: What Fund Directors Need to Know from a Regulatory and Operational Perspective.” Chris Wilson (independent director and chair, Invesco Funds) moderated 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 reviewed the definition of “digital assets,” and explained why it is important for fund directors to understand digital assets and the unique challenges they present for fund boards. The panelists also discussed existing regulatory oversight by the SEC and Commodity Futures Trading Commission (CFTC), as well as examples of recent registered fund filings seeking to invest in bitcoin futures. Finally, the panelists offered some practical takeaways for fund boards. A recording of the webinar will be available on [this page](#) (login required) in about a week.

DOL Releases Spring 2021 Regulatory Agenda

The Department of Labor (DOL) recently issued its spring 2021 [Semi-Annual Regulatory Agenda](#), including projected dates for issuance of proposed and final regulations. According to the agenda, the department plans to issue several proposed and final rules by the end of 2021, including amending the regulatory provision defining who is a “fiduciary” as a result of rendering investment advice for a fee. The DOL expects to issue a proposal by December 2021. It also plans to address ESG investments and proxy voting, including reviewing two regulations: “Financial Factors in Selecting Plan Investments” and “Fiduciary Duties Regarding Proxy Voting and Shareholder Rights.” The DOL expects to issue a proposed rule in September 2021. In March 2021, the department had announced that it would not enforce either regulation, pending its review. A memorandum summarizing the agenda is available [here](#) (login required).

ICI Issues Research Report on Defined Contribution Plan Recordkeeper Data That Shows Ongoing Commitment to Retirement Savings

On June 10, ICI issued [“Defined Contribution Plan Participants’ Activities, First Quarter 2021.”](#) The study reflects contributions, withdrawals, and other activity, based on defined contribution (DC) plan recordkeeper data covering more than 30 million participant accounts in employer-based DC plans. A preliminary estimate contained in the report indicates that only 0.8 percent of DC plan participants stopped contributing to their plans in the first quarter of 2021, compared with 1.4 percent in the first quarter of 2020. Only 5.5 percent of DC plan participants changed the asset allocation of their account balances, which was slightly lower than the activity observed in the first quarter of 2020 (6.2 percent). Withdrawal activity for DC plans remained low in the first quarter of 2021, as 2.2 percent of DC plan participants took withdrawals, compared with 1.8 percent in the first quarter of 2020. ICI’s news release summarizing the research report is available [here](#).

Mark Your Calendar for Upcoming Events

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

Foundations for Fund Directors®

- September 13–14

Industry Segment Calls

- [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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