

IDC UPDATE

August 19, 2021

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IDC's 2021 Virtual Fund Directors Conference to Take Place October 20-21

Join IDC virtually on October 20 and 21 for our 2021 Fund Directors Conference, the signature event for the independent director community. A stellar lineup of expert speakers and panelists will address important topics facing the fund director community. Conference registrants are invited to participate in IDC's Core Responsibilities program during the prior week. Register for IDC's 2021 Fund Directors Conference [here](#).

Registration Open: IDC's Closed-End Fund Webinar on August 31

On August 31, IDC will host a [webinar](#) on current issues facing closed-end funds and the role of board oversight. Panelists Ken Fang (associate general counsel, ICI), Mark Holland (partner, Goodwin Procter), and Toby Serkin (partner, Morgan, Lewis & Bockius) will provide a historical overview of investor activism in closed-end funds, and discuss statutory provisions implicating shareholder voting rights and recent litigation. [Register here now!](#)

SEC Issues Order on Nasdaq Diversity Listing Rules

On August 6, the Securities and Exchange Commission (SEC) issued an [order](#) approving Nasdaq's proposed [listing rules](#) concerning diverse representation on corporate boards and associated reporting for companies listed on its exchange. New Rule 5605(f) generally will set an objective for Nasdaq-listed companies to have at least one director who self-identifies as female and have at least one director who self-identifies in racial, ethnic, or LGBTQ+ diversity categories, or explain the absence of such directors. New Rule 5606 generally will require listed companies to provide aggregated data on their boards' gender, racial, ethnic, and LGBTQ+ demographics.

SEC Chair Gensler Comments on Anticipated Rulemaking on Climate Risk Disclosures

SEC Chair Gary Gensler recently posted [comments on Twitter](#) supporting increased disclosure of climate risk by public companies. Gensler explained that he has directed SEC staff to draft a rule proposal on mandatory climate risk disclosure that would require

consistent and comparable climate disclosures. Gensler analogized public company disclosure to the Tokyo Olympic Games, noting that “there are rules by which [judges] measure an athlete’s performance,” and “the sports also change over time” because “[o]ccasionally fans will say ‘I want something different.’” In that vein, Gensler observed that “[w]ith climate risk disclosures, investors are asking regulators for more... It’s now time for the Commission to take the baton.” Gensler also said he has asked SEC staff to develop recommendations about greenhouse gas emission disclosures and whether there should be specific metrics for different industries, such as banking, insurance, or transportation.

ICI Files Comment Letter on FSB’s Money Market Fund Proposals

On August 13, ICI filed a [comment letter](#) in response to the Financial Stability Board’s (FSB) request for comments on its consultation report concerning “Policy Proposals to Enhance Money Market Fund Resilience.” The proposals are intended to inform jurisdiction-specific reforms and possible adjustments to International Organization of Securities Commissions (IOSCO) policy recommendations for money market funds. In the comment letter, ICI notes that evidence shows that money market funds did not cause the stresses in the short-term funding markets in March 2020 and suggests that removing the tie between money market fund liquidity and fee and gate thresholds is the best approach to addressing the challenges money market funds faced during that period. ICI’s memorandum summarizing its comment letter is available [here](#) (login required).

Senator Warren and SEC Chair Gensler Discuss Cryptocurrency Exchanges

Recently, US Senator Elizabeth Warren (D-MA), chair of the Senate Banking, Housing, and Urban Affairs Committee’s Subcommittee on Economic Policy, sent a [letter](#) to SEC Chair Gensler requesting information about the SEC’s authority to regulate cryptocurrency exchanges. The letter asks Gensler to explain, among other things whether cryptocurrency exchanges are operating in a “fair, orderly, and efficient manner,” whether the characteristics of assets traded on cryptocurrency exchanges may warrant additional protections for investors and consumers relative to those provided for traditional exchanges, and the extent to which the SEC’s authority to regulate cryptocurrency exchanges may differ from its authority to regulate traditional exchanges. In [his response](#), Gensler told Warren that, in his view, the SEC needs “additional authorities to prevent transactions, products, and platforms from falling between regulatory cracks” and “more resources to protect investors in this growing and volatile sector.” Warren subsequently [issued a statement](#) in response to Gensler’s letter, advising him that she will “continue to engage with the SEC and other federal regulators on this, and will work to close regulatory gaps through legislation.”

Mark Your Calendar for Upcoming Events

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

Webinar

- [Closed-End Funds: Board Oversight and Recent Developments: August 31, 2:00 p.m.](#)

Foundations for Fund Directors®

- [September 13-14](#)

Conference

- [Virtual Fund Directors Conference: October 20 and 21](#)
- [Core Responsibilities: October 13 and 14](#)

Panel Discussion

- Zoom Panel on Boards and CCOs: November 10, 2:00 p.m.

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

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