

IDC UPDATE

September 7, 2021

IDC Update: September 2, 2021

IDC Submits Letter on In-Person Board Meeting Requirements

On September 2, IDC submitted a [letter](#) to the Securities and Exchange Commission (SEC) recommending that the SEC take steps to modernize the rules governing in-person board voting and meetings. In the letter, IDC commended the SEC for reacting promptly to the COVID-19 pandemic by suspending the in-person voting requirements, subject to certain conditions, and requested that, once the pandemic has concluded, the SEC provide at least six months of notice before permanently withdrawing the current temporary relief. IDC emphasized that this would provide greater certainty to the fund director community, noting the recent resurgence of COVID-19 and the fact that fund boards will require sufficient time to plan their transition from virtual to in-person meetings based on real-time conditions. In addition, while emphasizing the value of in-person meetings, IDC recommended that the SEC allow for flexibility on a permanent basis, observing that fund boards seamlessly leveraged videoconferencing technologies during the COVID-19 pandemic to carry out their duties.

Get Ready for the Boardroom: Register Today for IDC's Orientation Program on September 13-14

If you're a newer fund director, it is essential to understand your role and responsibilities, and if you're a more-experienced director, it is vital to keep your skills sharp. Participating in IDC's *Foundations for Fund Directors*® virtually on September 13-14 enables directors to do both. You will [learn about](#) how registered funds work and how they are regulated, guiding principles of fund governance, the advisory contract renewal process, and other areas of board oversight, including investment management and performance, fair valuation, liquidity, compliance, and risk management. Register [here](#) today!

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](#).

IDC Holds Webinar on Closed-End Funds

On August 31, IDC hosted a webinar on current issues facing closed-end funds and key elements of board oversight. Nicole Baker (associate counsel, IDC) moderated a panel featuring Ken Fang (associate general counsel, ICI), Mark Holland (partner, Goodwin Procter), and Toby Serkin (partner, Morgan, Lewis & Bockius). Panelists provided a historical overview of investor activism in closed-end funds and discussed statutory provisions implicating shareholder voting rights. They also examined the board's important oversight role. Finally, the panelists reviewed some recently resolved and pending litigation involving activist investor campaigns. A recording of the webinar will be available in about a week.

SEC Requests Information and Comment on Digital Engagement Practices

The SEC recently [announced](#) that it is requesting information and [public comment](#) on the use and development of digital engagement practices (DEPs) by broker-dealers and investment advisers, such as behavioral prompts, differential marketing, and game-like features, on their digital platforms. In a [related statement](#), SEC Chair Gary Gensler noted that "[p]redictive analytics and other DEPs often are designed, in part, with optimization functions to increase platform revenues, data collection, and customer engagement, leading to potential conflicts [of interest] between the platform and investors." The SEC hopes to learn, among other things, what conflicts may arise from optimization practices and "whether optimization practices affect the determination of whether DEPs are making recommendations or providing investment advice." The SEC is also issuing the request to better understand analytical tools and other technology that may help investment advisers to produce and deliver investment advice to clients.

IDC Virtual Industry Segment Calls Resume September 22

IDC's industry segment calls will resume in September, with the first scheduled call for board leaders on September 22. IDC's industry segment calls are an informal and director-driven discussion forum among peers. Industry segment calls scheduled for September are listed below, with additional dates to follow. We hope you will join us!

Mark Your Calendar for Upcoming Events

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

Foundations for Fund Directors®

- [September 13-14](#)

Industry Segment Calls

- [Board Leaders: September 22, 2:00 p.m.](#)
- [Governance Committee Chairs: September 23, 2:00 p.m.](#)
- [Audit Committee Chairs: September 30, 2:00 p.m.](#)

IDC Conference

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

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](#).

For more information about IDC, please contact idc@ici.org. If you are experiencing technical problems, please contact webmaster@ici.org. To opt out of receiving *IDC Update*, please contact memberservices@ici.org.

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