

## **IDC UPDATE**

September 23, 2021

# **IDC Update: September 16, 2021**

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

Join IDC virtually on October 20 and 21 for the 2021 Fund Directors Conference, the signature event for the independent director community. Featured speakers include Yie-Hsin Hung, CEO at New York Life Investment Management CEO; Andrew Schlossberg, head of the Americas at Invesco; and Dr. David Kelly, Chief Market Strategist at JP Morgan Asset Management. 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](#).

## **Mark Your Calendars—IDC Panel on Fund Boards and CCOs on November 10**

IDC will team up with ICI's Chief Compliance Officer (CCO) Committee on Wednesday, November 10, at 2:00 p.m. (ET) to present a panel discussion on the board/CCO relationship. Panelists Stephanie Capistrone, partner at Dechert; Charles Park, CCO at BlackRock; Katie Primas, CCO at Dodge & Cox; Kathie Barr, independent director at William Blair Funds and Professionally Managed Portfolios; and John Boyer, independent director at Voya Funds, will share board reporting practices and insights into how the relationship has evolved since the compliance program rule was adopted. Stay tuned for registration details.

## **SEC Chair Gensler Testifies on the SEC's Unified Agenda**

On September 14, Securities and Exchange Commission (SEC) Chair Gary Gensler [testified](#) before the Senate Committee on Banking, Housing, and Urban Affairs to address items on the SEC's unified agenda, including market structure, predictive data analytics, issuers and issuer disclosure, and funds and investment management. When discussing funds and investment management, Gensler addressed four issues. First, he noted the growing number of funds that market themselves as "green," "sustainable," and "low-carbon," and said he has asked staff to consider how they may ensure that the public receives information needed to understand their investment choices. Second, Gensler stated that staff are developing a proposal for the Commission's consideration on cybersecurity risk governance. Third, Gensler noted the potential for fee-related conflicts of interest with private funds and indicated the possibility of enhanced disclosure

requirements. Fourth, Gensler said he has asked staff for recommendations to build greater resiliency in both money market funds and open-end bond funds.

## SEC Chair Gensler Speech to European Parliament Committee on Economic and Financial Affairs

SEC Chair Gensler [recently spoke](#) to the European Parliament Committee on Economic and Financial Affairs about predictive data analytics, digital engagement practices, and financial stability. In his remarks, Gensler observed that deep learning models may lead to “systemic risk by encouraging herding into certain datasets, providers, or investments.” Gensler also observed that, with respect to crypto trading and lending platforms, “there’s no broker in between the public and the platform, [so] absent clear investor protection obligations on these platforms, the investing public is left vulnerable.”

Gensler also noted that funds may “brand themselves as ‘green,’ ‘sustainable,’ ‘low-carbon’ [and said that he has] ...directed staff to review current practices and consider recommendations about whether fund managers should disclose the criteria and underlying data they use to market themselves as such.” Gensler has asked staff to pursue more disclosure requirements on human capital and board diversity. ICI’s memorandum summarizing Gensler’s speech is available [here](#) (login required).

## SEC Investor Advisory Committee, Commissioners Address Online Trading Platforms, Rule 10b5-1 Plans, and SPACs

On Thursday, September 9, the SEC Investor Advisory Committee (IAC) held a [public meeting](#) on “Reimagining Investor Protection in a Digital World: the Behavioral Design of Online Trading Platforms,” as well as competition and regulatory reform at the PCAOB. The IAC also considered subcommittee recommendations regarding plans under [Exchange Act Rule 10b5-1](#) and [special purpose acquisition companies](#) (SPACs). In related remarks, Chair Gensler [identified](#) potential conflicts of interest linked with predictive analytics and other digital engagement practices (DEPs) that may be “designed, in part, to increase platform revenues, data collection, and customer engagement.” Gensler also said he has asked staff to consider possible changes to the rules on Rule 10b5-1 plans and SPAC disclosures. Commissioner Hester Peirce [suggested](#) in her remarks that regulators “resist the urge to override investor decisions [involving digital platforms] and instead engage and educate investors using the same technologies through which they are investing.”

## Mark Your Calendar for Upcoming Events

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

### 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](#)

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