

IDC UPDATE

October 13, 2021

IDC Update: November 19, 2020

ICYMI: IDC Releases Board Update Newsletter

IDC's latest [Board Update](#) (login required) published last week brought you details about our signature annual Fund Directors Conference in October. As a part of IDC's rebranding and communications efforts, *Board Update* will now come to you quarterly, focusing on in-depth pieces on topics or events of interest to the fund director community. Separately, *IDC Update* will be sent generally twice a month, and will cover IDC's activities and programs, as well as industry and policy developments.

SEC's New Rule on Funds' Use of Derivatives: Summary of Fund Board Responsibilities

IDC [summarized the SEC's newly adopted rules and amendments](#) (login required) that provide an updated approach to the regulation of derivatives and similar instruments used by mutual funds, exchange-traded funds, closed-end funds, and business development companies. Overall, the rule requires: (1) a fund's board to approve the designation of the fund's derivatives risk manager (DRM); and (2) the DRM to provide regular written reports to the board regarding the program's implementation and effectiveness, and analyzing where the fund's guidelines have been exceeded and the results of the fund's stress testing.

DOL Finalizes Rule on Retirement Plan Investment Selection, Removing References to ESG Investments

The Department of Labor (DOL) [adopted a final rule](#) (login required) amending the existing regulation on fiduciary standards for selecting and monitoring investments. The DOL explains that the rule is intended to provide clear regulatory guideposts for retirement plan fiduciaries in light of recent trends involving environmental, social, and governance (ESG) investing. The final rule is substantially improved from the proposal, to which ICI had voiced strong opposition. Most significantly, the text of the final rule contains no specific references to ESG or ESG-themed funds and, instead, refers to "pecuniary" and "non-pecuniary" factors in defining the relevant fiduciary investment inquiry.

ICI Updates Global ESG Developments Tracker

This week, ICI updated the [Global ESG Policy Developments](#) tracker (login required) on its [ESG Investing Resource Center](#) to reflect a number of US and global ESG policy developments.

SEC Chairman Jay Clayton Confirms Plans to Conclude Tenure at Year-End

Securities and Exchange Commission (SEC) Chairman Jay Clayton recently [confirmed](#) that he plans to conclude his tenure at year-end. Clayton has been one of the longest-serving SEC chairs, having served in the role since May 4, 2017.

Mark Your Calendar for Upcoming Events

All times are shown in eastern time (ET).

Webinars

- [The Post-Election Political Environment: Wednesday, December 2, 2:00–3:00 p.m.](#)
- [Insurance Considerations for Fund Boards: Thursday, December 17, 2:00–3:00 p.m.](#)
- Fund Industry Trends–Research Perspectives: Thursday, February 4, 2:00–3:00 p.m.

Industry Segment Calls

- ISC: Board Leaders: January 27, 2:00–3:00 p.m.
- ISC: Audit Committee Chairs: January 28, 2:00–3:00 p.m.
- ISC: Governance Committee Chairs: February 3, 2:00–3:00 p.m.

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

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