

## IDC UPDATE

October 13, 2021

# IDC Update: October 29, 2020

## Eric J. Pan Named President and CEO of ICI

ICI's Board of Governors has unanimously elected [Eric J. Pan](#) as ICI's next president and CEO, effective November 9. Pan is a veteran markets regulator with deep experience in international financial regulation and a recognized scholar and expert on financial regulation. He will be the 10th chief executive in the 80-year history of ICI. As president and CEO, Pan will direct ICI's staff of 174 in offices in Washington, DC, London, and Hong Kong. He succeeds Paul Schott Stevens, who is retiring at year-end after more than 16 years as ICI's president and CEO.

## IDC's 2020 Virtual Fund Directors Conference

IDC successfully held its annual [Fund Directors Conference](#) virtually last week, addressing the wide-ranging changes facing funds and their boards. There were a record number of registrants for the two-day event. Recordings of select sessions are available until November 11 to conference registrants via the [conference platform](#). Remarks delivered at the conference by Dalia Blass, director of the Securities and Exchange Commission (SEC) Division of Investment Management, were published on [the SEC's website](#). Please look for more extensive coverage on the conference in IDC's *Board Update* in the coming weeks.

## SEC Issues Final Derivatives Rule

The SEC yesterday adopted [a new rule and amendments](#) that provide an updated, more comprehensive approach to the regulation of funds' use of derivatives. While we are still analyzing the final rule, we are pleased that the SEC's release addresses a number of key [IDC comments](#), including allowing for greater flexibility regarding the content of board reports and clarifying the board's role in approving the designation of a derivatives risk manager. We will be following up with a summary memorandum.

## SEC Adopts Amendments to Auditor Independence Rule

The SEC recently [adopted amendments](#) (log-in required) to its auditor independence rule intended to update certain elements of the rule so that relationships and services that do not pose threats to the auditor's objectivity and impartiality do not trigger non-substantive violations or potentially time-consuming audit committee review of immaterial matters. The

amendments were adopted substantially as proposed. IDC and ICI had filed a [joint comment letter](#) on the proposal strongly supporting many of the proposed amendments.

## SEC Adopts Fund of Funds Rule

The SEC [adopted a new rule](#) and amendments for funds that invest in other funds (fund of funds arrangements). Among other things, the rule will require certain evaluations and findings be made before an acquiring fund invests in an acquired fund and will require funds that do not share the same investment adviser to enter into a fund of funds investment agreement memorializing the terms of the arrangement. These requirements replace the proposed requirement that [IDC and others opposed](#) that would have prohibited an acquiring fund that acquires more than 3 percent of an acquired fund's outstanding shares from redeeming more than 3 percent of the acquired fund's total outstanding shares in any 30-day period. For more information, see this [summary memo](#) (log-in required).

## Mark Your Calendar for Upcoming Events

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

### Webinars

- The Post-Election Political Environment: December 2, 2:00–3:00 p.m.
- Insurance Considerations for Fund Boards: December 17, 2:00–3:00 p.m.

### Industry Segment Call

- Directors of ETFs: November 17, 1:00–2:00 p.m.

### Conferences

- [ICI's 2020 Virtual Closed-End Fund Conference](#): November 4–5

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

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