

IDC UPDATE

October 13, 2021

IDC Update: October 8, 2020

IDC Explainer Video

Watch [this new video](#) from IDC, where you'll learn more about us, our four-part mission, and the vital role of fund independent directors.

IDC's Virtual Fund Directors Conference

There is still time to [register](#) for IDC's annual [Fund Directors Conference](#), to be held October 21-22. The preconference Core Responsibilities of Fund Directors sessions begin next week (October 14, 15, and 16 at 2:00-4:00 p.m. ET). The top issues of the day will be covered, including the current political moment with Libby Cantrill of PIMCO, and the SEC's regulatory agenda with Dalia Blass, director of the SEC's Division of Investment Management.

SEC Adopts New Fund of Funds Rule

The SEC this week [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% of an acquired fund's outstanding shares from redeeming more than 3% of the acquired fund's total outstanding shares in any 30-day period. IDC and ICI are analyzing [the new rule](#) and will share a summary memo in the near term.

SEC Adopts Amendments to Shareholder Proposal Rule

The SEC has adopted [amendments](#) (login required) to the shareholder proposal rule that will raise the eligibility requirements for shareholders wishing to submit and resubmit proxy proposals. The amendments passed by a 3-2 vote, with Chairman Clayton and Commissioners Roisman and Peirce voting in favor, and Commissioners Lee and Crenshaw voting against. The commissioners voting for the amendments emphasized the need to consider the rights of *all* shareholders—not just proposal proponents—and the costs that

the current requirements impose on all. By contrast, the commissioners opposing the amendments expressed concerns that rights for shareholders, especially smaller shareholders, would be negatively affected.

ICI Letter to DOL on Fiduciary Duties Regarding Proxy Voting

ICI filed a [comment letter](#) (login required) this week with the US Department of Labor (DOL) in response to its proposed regulation on Fiduciary Duties Regarding Proxy Voting and Shareholder Rights. The DOL issued the proposed rule for the stated purpose of ensuring that plan fiduciaries execute their ERISA duties in an appropriate and cost-efficient manner when exercising shareholder rights. Significant concerns have been raised that the proposed rule may actually increase the costs and burdens associated with plans' exercise of shareholder rights.

Funds Adopt Lasting Innovations to Meet Pandemic Challenges

Watch ICI's recent [Focus on Funds video](#) to learn about trends that have emerged from the past six months of remote work in the fund industry. Joanne Kane, ICI senior director of operations and transfer agency, discusses how the fund industry has innovated, and what changes are here to stay.

Mark Your Calendars for Upcoming IDC Events

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

All times are in eastern time (ET).

Conferences

- [IDC's 2020 Virtual Fund Directors Conference](#)

October 21-22 (Optional Core Responsibilities Sessions: October 14-16)

- [ICI's 2020 Virtual Closed-End Fund Conference](#)

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.