

## COMMENT LETTER

August 16, 2022

# IDC Comment Letter on Certain Information Providers Acting as Investment Advisers

The Independent Directors Council responded to the Commission's request for comment regarding whether, under certain circumstances, the activities of index providers, model portfolio providers, and pricing services (Information Providers) warrant investment adviser status. We particularly focused on the implications for fund boards of treating Information Providers as investment advisers under the Investment Company Act of 1940 (Investment Company Act).

The appropriate role of independent fund directors—whose responsibility is to protect the interests of shareholders—is one of oversight. This concept, as well as the specific level of board scrutiny over any one of a fund's service providers, is well established under the Investment Company Act, its rules, and general fiduciary principles. Director oversight is tailored to the characteristics and circumstances of a particular arrangement, taking into account the potential for conflicts of interest raised by the arrangement and the degree of influence a service provider can exert over a fund. This allows fund boards to effectively oversee a provider in a manner that is commensurate with the provider's role and influence.

Read more in the [comment letter](#).