

## IDC UPDATE

August 18, 2022

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## Register Now for Upcoming IDC Events

### IDC Fund Directors Conference, October 24-26

Join IDC in Chicago on October 24-26 for our [2022 Fund Directors Conference](#), the premier event for the independent director community. A stellar lineup of expert speakers and panelists will address important issues facing fund directors and the fund industry at large. [REGISTER HERE](#)

### IDC Speakers Series Event Featuring Roger Ferguson

IDC will continue its [Speakers Series](#) on Monday, October 3 at 11:00 a.m. (ET) with **Roger W. Ferguson Jr.**, the immediate past President and Chief Executive Officer of TIAA and former Vice Chairman of the Board of Governors of the US Federal Reserve System. IDC's Speakers Series gives fund independent directors insight into the current environment in which regulated funds and their boards operate.

[REGISTER HERE](#)

### IDC Southern California Directors Chapter Meeting

Please join IDC on Thursday, September 15, at an in-person chapter meeting for fund directors in Pasadena, California. Fund directors will engage in informal discussions about issues that affect the fund industry and the role of directors. The meeting is open to independent and interested directors of ICI member funds.

[REGISTER HERE](#)

## Save the Date: IDC New York Directors Chapter Meeting

IDC will hold its next chapter meeting for New York directors on Wednesday, November 16 in New York City. The meeting is open to independent and interested directors of ICI member funds. Please stay tuned for more information.

## IDC Files Letters with the SEC on Fund Names Rule Proposal and Request for Comment on Information Providers

On August 16, IDC filed a [comment letter](#) with the Securities and Exchange Commission (SEC) on its [investment company names rule proposal](#). The proposal would, among other things, expand the universe of funds that are subject to the names rule, update the rule's shareholder notice requirements, establish new recordkeeping requirements, and create additional prospectus disclosure requirements. In its comment letter, IDC expresses support for certain elements of the proposal that do not impose prescriptive requirements on fund

boards, while explaining that the collateral consequences of the proposal may diminish the value of fund names without providing meaningful benefit to shareholders.

IDC also filed a [comment letter](#) with the SEC on its [request for comment](#) on whether certain information providers' activities cause them to meet the definition of "investment adviser" under the Investment Company Act of 1940. IDC's letter recognizes that index providers, model portfolio providers, and pricing services provide important services to funds, but opposes the categorical treatment of these information providers as investment advisers under the 1940 Act. The letter explains that, while information providers can provide important services to a fund, there is no compelling basis to require boards to apply the level of scrutiny that is given to a fund's most critical service providers.

In addition, ICI filed a [letter](#) addressing the names rule proposal, as well as a [letter](#) on the request for comment on information providers.

### **IDC Releases 2022 Directors Practice Study**

This week, IDC/ICI released to participants the results of its annual *Directors Practices Study*. The study provides data on independent director compensation and fund board practices. This year's study incorporates responses from 180 fund complexes holding approximately 93 percent of the industry's total net assets. Participating fund complexes and independent directors overseeing funds that participated in the study have access to the results. If you are a director of a participating fund complex, please contact your management company. All others are encouraged to learn more about the study by accessing last year's publicly available trends report, [Overview of Fund Governance Practices, 1994-2020](#).

### **Delaware Adopts Amendments to Protect Long-Term Closed-End Fund Shareholders**

Delaware recently adopted [a control share acquisition statute](#) (control share statute). Under this statute, registered closed-end funds and business development companies traded on a national securities exchange and organized as Delaware statutory trusts will automatically be subject to "control share" provisions that offer potential defensive measures against activist investors. A fund shareholder who acquires "control shares" in a "control share acquisition" will not have any voting rights with respect to those shares on any matters relating to voting, except to the extent approved by the fund's other shareholders. Fund boards can eliminate the application of the control share statute for certain fund share acquisitions through the fund's governing document or other action. ICI's memorandum summarizing the amendments is available [here](#) (login required).

### **Mark Your Calendar for Upcoming Events**

*All times are shown in **eastern time (ET)**, unless otherwise noted.*

#### **Conference**

- [Fund Directors Conference: October 24-26](#)

#### **Speaker Series**

- [Roger W. Ferguson, October 3, 11:00 a.m.](#)

## **Chapter Meetings**

- [Los Angeles, September 15, 10:00 a.m. \(PT\)](#)
- New York, November 16

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

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