ICI Statement on SEC Proxy Voting Rule Amendments

Washington, DC; November 2, 2022—Investment Company Institute (ICI) Deputy General Counsel for Markets Sarah Bessin released the following statement today after the Securities and Exchange Commission (SEC) adopted rule amendments on proxy voting disclosure:

"The final rule the Commission has adopted today will help modernize the reporting of proxy votes. ICI supports many elements of the rule, including completing the 'say on pay' rulemaking required by Dodd-Frank, requiring data tagging in XML on Form N-PX, and allowing electronic options for funds to make their proxy voting records available.

"The final rule incorporates elements of an ICI recommendation to cut down the overly broad number of categories originally proposed. This reduces the potential for overlap and will allow for more consistent reporting. As ICI also recommended, the SEC has allowed a full reporting period for implementation. This will give funds and advisers the time they need to develop and enhance their systems to report the required information.

"However, we are disappointed that the SEC will require disclosure in Form N-PX of the number of shares loaned and not recalled. This information is not likely to be meaningful to investors and may cause confusion.

"Looking ahead, we urge the Commission to promptly address other important proxy voting reform matters. This includes, most importantly for funds, the challenges unique to the fund proxy system, reform of the processing fee framework, impediments to funds' ability to communicate directly with their investors, and the inability to confirm how shares were voted. We look forward to continuing to engage with the Commission on these critical issues."