

IDC UPDATE

June 13, 2023

IDC Update: May 25, 2023

IDC Hosts 2023 Fund Directors Workshop in Washington, DC

IDC's successful [2023 Fund Directors Workshop](#) was held in conjunction with ICI's annual [Leadership Summit](#) in Washington, DC, on Tuesday, May 23 through Thursday, May 25. Workshop attendees heard from expert speakers on topics that are top-of-mind for fund directors, such as mutual fund-to-ETF conversions and the SEC's recent rulemaking activity. Directors also enjoyed a chance to learn from each other during peer-to-peer discussion sessions on governance practices, and a video case study review on ransomware and cybersecurity risk.

We look forward to seeing you **Wednesday, October 11 through Friday, October 13** at IDC's Fund Directors Conference in Chicago!

SEC Chair Gensler Addresses Attendees at ICI Leadership Summit and IDC Directors Workshop

In his [remarks](#) at ICI's recent [Leadership Summit](#), Securities and Exchange Commission (SEC) Chair Gary Gensler discussed the SEC's proposals on money market funds and open-end funds. With respect to money market funds, Gensler addressed potential "risk of runs and resulting dilution," noting that the SEC proposed to prevent money market funds from limiting redemptions in times of stress ("gates"). In addition, Gensler opined that the SEC's proposed swing pricing and "alternatives regarding liquidity fees" (for certain money market funds) may address "pricing and reduce dilution in times of stress."

Regarding the SEC's swing pricing/liquidity risk management proposal for open-end funds, Gensler explained that the SEC's "goal [is for] redeeming shareholders [to] bear the appropriate costs associated with their redemptions." Chair Gensler said that "as to pricing, we put forward a number of alternatives. These alternatives—either within the framework of swing pricing or liquidity fees—are being considered with the goal that redeeming shareholders bear the appropriate costs associated with their redemptions, particularly in times of stress." Also, Gensler said the proposed revised liquidity classifications are designed to prevent funds from overestimating their investments' liquidity.

Separately, Gensler indicated that the SEC is in discussions with bank regulators regarding some "similar products" that do not have limits on illiquid investments and minimum levels of liquid assets, or the requirement for an independent board. Gensler noted there may be "gaps" if "regulations don't treat like activities alike."

Consistent with the positions articulated in our [comment letter](#), IDC will continue our advocacy against the swing pricing/hard close proposal.

Register Today: IDC Chapter Meetings in New York, San Francisco, Los Angeles, and Washington, DC

IDC will host its next New York Chapter Meeting on **Thursday, June 8** at PIMCO's New York office. The meeting will feature an informal discussion led by Libby Cantrill, PIMCO Managing Director, on policy and political risk from an investment perspective. The meeting will also feature an informal discussion for participants on topics of current interest in the boardroom. IDC Chapter meetings are open to independent and interested directors of ICI member funds. Please register [HERE](#).

In addition, registration is now open for IDC's Chapter Meetings in [San Francisco](#) on **Tuesday, June 13**, in [Los Angeles](#) on **Thursday, June 15**, and in [Washington, DC](#) on **Monday, June 26** at IDC's office.

Registration Open for IDC Industry Segment Calls

IDC will host its next call for Directors at Small Fund Complexes on **Thursday, June 1**, at 3:00 p.m. (ET). This call will be an informal and interactive discussion among participants, facilitated by Julie Allecta, Independent Director of iMGP Funds and Salient Funds. The call is open only to directors of ICI member funds. Register [HERE](#).

IDC will also host its next calls for [Directors of Business Development Companies \(BDCs\)](#) on **Monday, June 12**, [Governance Committee Chairs](#) on **Wednesday, June 21**, [Board Leaders](#) on **Thursday, June 22**, the [New Directors Engagement Call](#) on **Tuesday, June 27**, and [Directors of ETFs](#) on **Wednesday, July 12** (updated time).

Maryland Amendments Apply Control Share Statute to Certain Statutory Trusts

Maryland recently adopted [amendments](#) to its corporate laws that, among other things, will apply its "control share" statute to registered closed-end funds and business development companies that are structured as statutory trusts. A control share statute is a state law that generally restricts the rights of a shareholder who owns more than a certain percentage of a company's shares from voting those shares ("control shares"), unless the other non-interested shareholders restore those rights. Maryland's control share statute will apply automatically to any fund that is a statutory trust created on or after October 1, 2023. The amendments also give funds that are statutory trusts created before October 1, 2023, the option to opt in to Maryland's control share statute, which previously was limited to Maryland corporations. The amendments become effective on October 1, 2023. ICI's memorandum analyzing the amendments is available [here](#) (login required).

Mark Your Calendar for Upcoming Events

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

Conferences

- Fund Directors Conference, October 11–13 (Chicago)

Industry Segment Calls

- [Directors at Small Fund Complexes, June 1, 3:00 p.m.](#)
- [Directors of BDCs, June 12, 2:00 p.m.](#)
- [Governance Committee Chairs, June 21, 1:00 p.m.](#)
- [Board Leaders, June 22, 3:00 p.m.](#)

- [New Directors Engagement Call, June 27, 2:00 p.m.](#)
- [Directors of ETFs, July 12, 2:00 p.m.](#)

Chapter Meetings

- [New York, June 8, 10:00 a.m.](#)
- [San Francisco, June 13, 10:00 a.m. \(PT\)](#)
- [Los Angeles, June 15, 10:00 a.m. \(PT\)](#)
- [Washington, DC, June 26, 10:00 a.m.](#)

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

In Case You Missed Recent IDC Webinars or IDC Update Editions

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