

IDC UPDATE

March 1, 2024

IDC Update: February 29, 2024

IDC at 20: Advancing Excellence in Fund Governance

In recognition of our 20th anniversary, IDC released today a *Viewpoint* post by IDC Managing Director Tom Kim, [The Independent Directors Council: 20 Years of Advancing Excellence in Fund Governance](#). Kim reflects on IDC's formation in May 2004 and its role as the premier resource dedicated to independent directors serving on the boards of registered funds. Kim also underscores the unique governance structure of registered funds, the overwhelming independence of fund boards, and their vigilant focus on the interests of shareholders.

As part of IDC's ongoing commemoration of its 20th anniversary, IDC invites independent directors of member funds who might be in the Washington, DC area on the evening of **Monday, May 20** to join us for a celebratory reception at our offices. Stay tuned for more information.

William Birdthistle to Leave SEC; Natasha Vij Greiner to be Named Director of Division of Investment Management

On February 28, the Securities and Exchange Commission (SEC) [announced](#) that William Birdthistle, Director of the Division of Investment Management (Division), will leave the SEC, effective March 8. Since he joined the SEC in December 2021, Director Birdthistle has overseen the release of numerous rule proposals, as well as the adoption of rulemakings on money market fund reform, the fund names rule, and private fund advisers.

Following Director Birdthistle's departure, Natasha Vij Greiner will be named Director of the Division. Greiner currently serves as Deputy Director of the Division of Examinations, as well as the National Associate Director of the Investment Adviser/Investment Company (IA/IC) examination program and the Associate Director of the Home Office IA/IC examination program. Greiner has served in various roles across the agency for more than 22 years.

PCAOB Reopens Comment Period for NOCLAR Proposal and Schedules Virtual Roundtable

On February 26, the Public Company Accounting Oversight Board (PCAOB) announced that it reopened the comment period for its [proposal](#) to amend PCAOB auditing standards related to an auditor's responsibility for considering a company's noncompliance with laws and regulations (NOCLAR) until March 18. The PCAOB will host a related [public virtual roundtable](#) on March 6 "to obtain additional insight from commenters, stakeholders, and experts."

IDC and ICI submitted a [comment letter](#) in August 2023, expressing strong concerns about the proposal. The PCAOB's proposal would significantly increase an auditor's obligations to detect *any* noncompliance that could have an indirect effect on financial statements. The joint comment letter recommends that funds be excluded from the PCAOB's proposal, noting that funds already are subject to a robust regulatory compliance framework, including independent oversight by a board of directors, and stringent disclosure and reporting requirements. IDC's advocacy on the proposal has extended beyond its letter, including bringing independent directors to meet with key policymakers.

Registration Open for Chapter Meetings in Denver, Southern California, North Carolina, New York, and Chicago

IDC's chapter meetings are informal and interactive gatherings for both independent and interested fund directors. They are free and open to directors of member funds. Chapter meetings are an ideal opportunity to engage in peer-to-peer discussions relating to your roles as fund directors. Chapter meetings also address governance practices, policy developments, and other current topics relevant to fund boards. *The following chapter meetings are currently open for registration.*

IDC will hold its meeting of the **Denver Directors Chapter** on **Thursday, March 14**, at Charles Schwab in Lone Tree, Colorado (9899 Schwab Way, Lone Tree, CO 80124). Our guest speakers will be Amy Ruegg and Ryan Whitaker, Managing Directors, Investor Services Client and Field Experience, Charles Schwab, who will discuss artificial intelligence trends in asset management. Please register [HERE](#).

IDC will hold its meeting for fund directors based in **Southern California** on **Thursday, March 21** at PIMCO's office in Newport Beach, California (650 Newport Center Dr, Newport Beach, CA 92660). We will be joined by guest speaker Peter Strelow, Managing Director and Co-Chief Operating Officer, PIMCO. Please register [HERE](#).

IDC will hold its meeting for fund directors based in **North Carolina** on **Tuesday, April 9** at K&L Gates' office in Charlotte, North Carolina (300 South Tryon Street, Suite 1000, Charlotte, NC 28202). Please register [HERE](#).

IDC will hold its meeting of the **New York Directors Chapter** on **Wednesday, April 10**, at Evercore ISI (55 East 52nd St, 21st Floor, New York, NY 10055). Our guest speaker will be Ed Hyman, Chairman of Evercore ISI and Vice Chairman of Evercore. Please register [HERE](#).

IDC will hold its meeting for fund directors based in **Chicago** on **Wednesday, May 8** at Northern Trust (50 LaSalle Street, Chicago, IL 60603). Please register [HERE](#).

Please see below for the dates of other regional chapter meetings in 2024.

IDC New Compliance Oversight Peer Group

Registration is open for IDC's *new* peer group meeting for fund directors focused on **Compliance Oversight** on **Wednesday, March 13 at 2:00 p.m. ET**. The **Compliance Oversight Peer Group** is being established in light of interest expressed by fund independent directors who would like to discuss compliance oversight topics. The meeting will be facilitated by John Boyer, Compliance Committee Chair of Voya Funds. If your fund board would like to participate in the Compliance Oversight Peer Group Meeting, please designate *one independent director representative* to join the meeting on behalf of your fund board and email this designation to Nicole Baker (nicole.baker@ici.org) directly to receive the registration link.

IDC Hosts Webinar on “The Fund Compliance Rule at 20: Looking Back and Looking Ahead at Compliance Oversight”

IDC held a webinar yesterday, February 28, on “*The Fund Compliance Rule at 20: Looking Back and Looking Ahead at Compliance Oversight*.” Moderated by John Boyer (Independent Director and Compliance Committee Chair, Voya Funds), industry veterans Mary Ann Picciotto (Partner, Global Chief Compliance Officer, Lord, Abbett & Co. LLC), and George Raine (Partner, Ropes & Gray) offered their perspectives on the evolving interpretation and application of Rule 38a-1 under the Investment Company Act, from the rule’s effective date in February 2004 through the present, including the role of a fund’s chief compliance officer and board oversight considerations. A recording will be posted on IDC’s website in about a week.

SEC Finds that Investment Adviser Violated 15(c) of the 1940 Act for Failing to Disclose Influencer’s Role in Fund Launch

The SEC recently [charged](#) an investment adviser to an ETF with violating Section 15(c) of the 1940 Act in connection with the initial approval and subsequent renewal of the investment advisory contract. The SEC found that the investment adviser did not adequately inform the ETF's independent trustees of a licensing arrangement with the ETF's index provider. The index provider had partnered with a social media influencer to promote the ETF's index, paying the influencer a larger percentage of the licensing fee when the ETF's assets under management reached certain thresholds. ICI’s memo summarizing the matter is available [here](#) (login required).

IDC Foundations for Fund Directors® Program on April 17-18 - Waitlist Available

Registration is now full for the IDC’s **in-person** [Foundations for Fund Directors®](#) program on **Wednesday, April 17** through **Thursday, April 18** in **Washington, DC**. Those who wish to [register](#) can join the waitlist and will be notified if a spot becomes available. The *Foundations* program is designed for independent directors with up to five years of experience but also may serve as a useful refresher course for all directors, no matter their level of experience. Topics will include the structure of registered funds, directors’ role as fiduciaries, and director responsibilities. Participation is limited to directors of ICI member funds. Dates for future virtual and in-person *Foundations* courses will be announced soon.

Mark Your Calendar for Upcoming Events

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

IDC Conferences

2024 Schedule

- Fund Directors Workshop, May 21-23 (Washington, DC)
- Fund Directors Conference, October 21-23 (Chicago, IL)

2025 Schedule

- Fund Directors Workshop, April 30-May 2 (Washington, DC)
- Fund Directors Conference, October 27-29 (Scottsdale, AZ)

Foundations for Fund Directors®

- [April 17-18 \(Washington, DC\)](#) (to join waitlist)

Chapter Meetings

- [Denver, March 14, 10:00 a.m. \(MT\)](#)
- [Southern California, March 21, 10:00 a.m. \(PT\)](#)
- [North Carolina, April 9, 10:00 a.m.](#)
- [New York, April 10, 10:00 a.m.](#)
- Boston, April 24, 10:00 a.m.
- Ohio, April 30, 10:00 a.m.
- [Chicago, May 8, 10:00 a.m. \(CT\)](#)
- Washington, DC, May 21, 10:00 a.m.
- Boston, September 12, 10:00 a.m.
- New York, September 18, 10:00 a.m.
- Philadelphia, September 24, 10:00 a.m.
- Northern California, December 12, 10:00 a.m. (PT)

Industry Segment Meetings

- [Compliance Oversight Peer Group, March 13, 2:00 p.m.](#) *(email for registration link)*
- Audit Committee Chairs, May 14, 2:00 p.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

Be sure to check out our recent webinars available on-demand:

- [SEC Examination and Enforcement Priorities](#)
- [Board Oversight of Fund Performance](#)

To access all of IDC's archived content, please click [here](#) (login required) for full access.

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