

## IDC UPDATE

July 17, 2024

# IDC Update: July 11, 2024

## SEC Publishes Spring 2024 Rulemaking Agenda; Moves Away from Mandatory Swing Pricing for Mutual Funds

The Securities and Exchange Commission (SEC) recently published its [Spring 2024 Rulemaking Agenda](#), providing insight into regulatory initiatives on which action is expected over the next twelve months. Significantly, the SEC's Division of Investment Management is considering re-proposing changes to regulatory requirements relating to open-end fund liquidity and dilution management (currently expected by April 2025) – indicating that the SEC has moved away from mandatory swing pricing, as originally proposed. The Investment Company Institute, IDC, and over 30 fund boards had submitted comment letters to the SEC strongly opposing mandatory swing pricing for mutual funds. We appreciate the engagement of many fund boards that supported the advocacy against this detrimental proposal for shareholders.

The Division also is considering re-proposing rules that address safeguarding advisory client assets, as well as conflicts of interest associated with the use of predictive data analytics by broker-dealers and investment advisers (currently expected by October 2024). Other upcoming items under consideration for the Division include a proposal on fund fee disclosure and reform, as well as the adoption of a final rule on outsourcing by investment advisers (currently expected by October 2024).

## Supreme Court Rules on Cases Impacting SEC's Rulemaking and Enforcement Activity

Recently, the Supreme Court handed down decisions in several cases impacting SEC rulemaking and enforcement activity that bears on registered investment companies and their advisers. In [Securities and Exchange Commission v. Jarkesy](#), the Supreme Court held that the Seventh Amendment of the Constitution entitles a defendant to a jury trial when the SEC seeks civil penalties against the defendant for securities fraud. Shortly thereafter, in [Loper Bright v. Raimondo](#) and *Relentless, Inc. v. Department of Commerce*, the Supreme Court overruled the Chevron doctrine, the longstanding rule requiring courts to defer to agencies' reasonable interpretations of ambiguous statutes.

## Register Now for IDC Webinar on Litigation Shaping Regulatory Agencies - What Boards Should Know

Join IDC on **Tuesday, July 23**, from **2:00 to 3:00 p.m. (ET)** for a timely webinar on [Recent Litigation Shaping Regulatory Agencies—What Boards Should Know](#). Karrie McMillan (Independent Director, Principal Funds) will moderate a discussion with Douglas Hallward-Driemeier (Partner, Ropes & Gray, LLP), and Amir Tayrani (Partner, Gibson, Dunn & Crutcher, LLP). This program will bring fund directors up to speed on recent cases before

the Supreme Court and certain circuit courts that have potential implications for regulatory agencies, including SEC rulemaking authority and administrative proceedings. Panelists will discuss what fund directors should know about these cases and their relevance to the fund industry. Please register [HERE](#).

## **Register Now for IDC Virtual Foundations for Fund Directors® Program**

Registration is open for IDC's next Foundations for Fund Directors® [orientation program](#), which will be held *virtually* on **Wednesday, December 4** and **Thursday, December 5**. Foundations for Fund Directors®, designed for independent directors with up to five years of experience, serves as a valuable resource in getting directors up to speed on their important roles and responsibilities. The program also is a useful refresher course for all directors with various levels of experience. Hallmark features of the program include its case studies on directors' responsibilities and their role as fiduciaries. Participation is limited to fund directors of ICI member funds. Please register [HERE](#).

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

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

### **IDC Conferences**

#### *2024 Schedule*

- 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)

### **Webinars**

- [Recent Litigation Shaping Regulatory Agencies: What Boards Should Know, July 23, 2:00 p.m.](#)

### **Foundations for Fund Directors®**

- [December 4-5 \(Virtual\)](#)

### **Chapter Meetings**

- 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)

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:

- [The Nuts and Bolts of AI: A Primer for Fund Directors](#)
- [Board Oversight of Operational Risk](#)

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

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