

U.S. Standards & Advocacy Advisory Committee

Dallas Meeting Review: Talking Points

When and where did the meeting take place?

The US SAAC held its first meeting in Dallas on 15 February.

Who was involved?

The 14-person committee has representatives from:

- all the extra-large societies (New York, Boston, Chicago and San Francisco)
- four mid-sized societies (Los Angeles, Washington DC, Dallas-Fort Worth, and Minnesota)
- three small societies (Orlando, East Tennessee and Tampa Bay)
- one at-large member (retired Commonfund Institute senior adviser)
- PCR for the Southeast United States, and
- Chair, Ken Yee.

All of the members are — or recently were — members of their local society boards.

What Parts of the Investment Industry Do They Represent?

They represent a broad cross-section of the investment industry, including the following types of practices:

- University endowment
- Wealth management
- Registered investment adviser
- Investment analysis
- Family office and venture capital

Why Was the Committee Meeting?

John Bowman, Managing Director for the Americas Region at CFA Institute, expressed to committee members that this meeting was of particular interest and importance to CFA Institute because staff would hear directly from society leaders on the issues of interest to them and their members. In creating the committee, CFA Institute hopes to increase communication with societies on Standards & Advocacy work, provide direction to staff on initiatives the committee

has recommended, and broaden the relationship between society leaders and CFA Institute advocacy staff.

What Role Do SAAC Members Play in the Advocacy Efforts of CFA Institute?

Advisory committee members were there to represent not only their societies, but the broader membership, as well, on the issues that CFA Institute S&A staff should address in the coming year. They also were there to gather information that they will report back to their local societies.

What Issues Were Considered?

CFA Institute staff presented on the issues U.S. members of CFA Institute said were most important in a 2016 survey, and presented U.S. capital markets issues that the principal U.S. policymakers plan to address in the coming year. The main policymakers were:

- House Financial Services Committee – as revealed in its Financial Choice Act, to be debate later this spring
- Securities and Exchange Commission – on the basis of issues raised by the Commission’s Investor Advisory Committee
- CFA Institute survey of policy-interested members based in the United States

What Issues Were Prioritized?

After a broad discussion, committee members decided on four major topics for staff prioritization. These issues are:

- Fintech – how the investment industry will deal with the issues raised by the rise of fintech, including issues related to cybersecurity
- Fiduciary duty – the Dept. of Labor rule, adviser incentives and the need to ensure that advisers are putting the best interests of their clients first
- Investment product fee and risk disclosures – improving the accessibility and understandability of disclosures related to investment products, with focus on risk disclosures related to liquidity for products like exchange-traded funds and REITS.
- Fraud and enforcement of securities laws – the need for more regulation for investment management businesses and products was contrasted with better regulation and oversight of small registered investment advisers

What Comes Next?

CFA Institute staff are currently developing a communications plan to get word out to U.S. members. The plan includes the following items:

- Determining whether to give committee members CFA Institute-domain email addresses to provide a personal point of contact for members interested in conveying issue ideas for committee consideration
- Determining whether to create a web page that specifically presents information about the committee, its work, its governance, and its members
- Article in CFA Institute magazine in the June issue discussing outcomes from the SAAC's inaugural meeting
- Creation of a sharepoint site to enable continuing communications among committee members and staff

Staff also are in the process of developing action plans related to the four prioritized issues. Outputs will include responses to regulatory consultations, white papers, sponsoring of FBI personnel to talk with local society members about cybersecurity issues, and possible studies of certain issues.