A STRONG VOICE FOR GLOBAL REGULATED FUNDS

Dear Colleague:

Increasingly, savers and investors in both developed and emerging economies look to regulated funds as a key tool in meeting their financial goals. Amid this worldwide growth in demand, funds and their managers face many challenges, including the increasing globalisation of regulation. International regulatory bodies are seeking to shape and direct national policymaking, while national regulators are following and reacting to developments in other parts of the world. Larger political trends, too, influence policymaking, sometimes in ways that compromise the interests of investors and the operation of free and open capital markets. In this complex and evolving environment, the need for strong advocacy on behalf of funds and their investors has never been clearer.

Founded in 1940, the Investment Company Institute (ICI) has a long history of helping members understand how global, regional, and jurisdictional trends in laws and regulations can affect their activities. ICI also has a proven record of engaging with policymakers to effectively represent the interests of regulated funds.

Providing effective advocacy around the world

Today, ICI conducts its international advocacy through ICI Global, which gives a strong voice to the interests of regulated funds, their managers, and investors worldwide. It serves as an effective channel for communicating with regulators and policymakers, while offering a global platform for exchanging information and networking among industry stakeholders.

ICI Global’s approach is highly substantive. It relies upon a team that have deep expertise engaging with national and international policymakers worldwide, and that have extensive knowledge of the different issues facing our members. They quickly grasp regional and global policy developments, help regulated funds assess how those policies could affect them, and advocate on their behalf early in the policymaking process.

From financial transaction taxes in the European Union, to fund passport initiatives in the Asia-Pacific region, to the appropriateness of liquidity management tools for asset managers in different jurisdictions, ICI Global responds to a wide range of policy concerns, including many that are of importance to fund managers no matter where they are based or where they operate. It also engages as a thought leader on issues such as the growth and regulation of exchange-traded funds (ETFs), the role of funds in helping savers build retirement resources, and addressing the evolving cybersecurity threat.

The need for strong advocacy on behalf of funds and their investors has never been clearer.
ICI Global’s approach is multidisciplinary—combining legal, research, operations, and communications. Experience teaches that successful engagement increasingly demands more than just an understanding of regulatory policy concerns, but also empirical data and analysis, deep understanding of the industry, and the ability to relate and convey them all in a timely and effective manner. Our ability to marshal and combine all these capabilities, together with our long history as a fund research organisation, is a key differentiator.

The benefits of ICI Global’s work
As a member, you will receive a steady stream of information about cutting-edge policy developments, enhanced by the Institute’s expert analysis of their potential impact. You will be able to take advantage of the industry, investor, and economic data that flow from ICI Research. You will benefit from ICI Global’s powerful advocacy and contacts with regulators and policymakers in key jurisdictions. And you can work closely with your industry peers, through ICI Global’s regional chapters and topical committees and task forces, to help shape industry positions on policy issues that will be vital to funds and their investors.

The global challenges facing our industry are growing in scope and complexity. But we can’t meet all the challenges of today—or seize the opportunities of tomorrow—without your support. Through your membership in ICI and your active participation in ICI Global, you can help assure that our industry continues to enjoy a sound framework of regulation, one that will permit us to continue to innovate and to serve the needs of global investors now and in the years to come.

PAUL SCHOTT STEVENS
President and CEO, Investment Company Institute
Convening regulatory and industry stakeholders to serve investors

ICI Global carries out the international work of the Investment Company Institute, the leading association representing regulated funds globally. ICI’s membership includes regulated funds publicly offered to investors in jurisdictions worldwide and their managers. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of regulated investment funds, their managers, and investors. ICI Global has offices in London, Hong Kong, and Washington, DC.

Leveraging ICI’s decades of experience, ICI Global:

- **BRINGS A DISTINCTIVELY GLOBAL PERSPECTIVE** to a wide range of cross-border policy issues, speaking with a uniform voice on behalf of regulated funds and their investors;
- **COMMUNICATES WITH REGULATORS AND POLICYMAKERS** at the global, regional, and national level;
- **OFFERS A GLOBAL PLATFORM** for networking and exchanging information among industry stakeholders around the world; and
- **PROMOTES PUBLIC UNDERSTANDING** of regulated funds and the important role they play in meeting long-term savings needs.

The regulated fund industry is built on the trust and confidence of millions of investors across the globe. Looking out for the best interests of those investors is at the heart of regulated funds and their managers’ mandates, and that same duty is the guiding force behind ICI Global’s policy work and advocacy.

ICI Global uses its events to foster engagement between industry representatives and policymakers around the world. (Featured clockwise from top left: Verena Ross of the European Securities and Markets Authority, Kay Swinburne of the European Parliament, Pablo Antolín-Nicolás of the OECD, and Li Chao of the China Securities Regulatory Commission.)
With fund activities becoming increasingly international, and more regulations extending beyond borders, it is critical that funds have an effective advocate with global expertise. ICI Global is that advocate. It brings to bear ICI’s strengths in law, research, communications, and industry operations, working through a team of experts who have deep experience with national, regional, and international policymakers worldwide. The following illustrates how ICI Global’s engagement has served the interests of funds, their managers, and investors worldwide.

- **GLOBAL SIFI DESIGNATION**—helped persuade the Financial Stability Board (FSB) to set aside work on methodologies to identify regulated funds and their managers for possible designation as global systemically important financial institutions (G-SIFIs), and instead focus on industry activities and practices, with increased leadership from capital markets regulators.

- **FUNDS AND MARKET LIQUIDITY**—met with policymakers worldwide to help them better understand the behaviour of regulated funds and investors during times of market stress, and to refute the misguided theory that fund investors cause destabilising outflows.

- **CAPITAL MARKET DEVELOPMENT**—worked with EU and Japanese policymakers to show how funds can help strengthen capital markets, and supported initiatives—such as the EU capital markets union—that encourage the use of funds in market-based financing.

- **FUNDS AND RETIREMENT SAVINGS**—championed funds and defined contribution plans as alternative solutions for pensions and long-term savings challenges around the world, and developed a strong relationship with the Organisation for Economic Co-operation and Development (OECD) to position the regulated fund industry as a thought leader on pension reform.

- **CYBERSECURITY**—led work with the International Organization of Securities Commissions (IOSCO) on best practices for fighting cyberthreats in asset management.

- **DERIVATIVES REGULATION**—engaged forcefully in the global debate on the regulation of derivatives, including fighting for sensible margin arrangements and the global mutual recognition of exchanges.

- **TAX POLICIES**—protected fund investors from adverse tax consequences by leading industry opposition to a European financial transaction tax; by chairing the Business Advisory Group to the OECD on the global Foreign Account Tax Compliance Act (FATCA); by securing industry-specific guidance in OECD Base Erosion and Profit Shifting (BEPS) action items; and by helping funds recover improperly withheld foreign taxes.

- **CROSS-BORDER PASSPORTS**—supported the development of cross-border fund agreements in the Asia-Pacific region to deepen capital markets and provide more options to investors.

- **US VOLCKER RULE**—secured equivalent treatment for regulated funds under the US Volcker Rule, ensuring that these funds would not be hamstrung by unintended consequences of this law.

- **BREXIT**—engaged with EU policymakers in the context of Brexit negotiations about the importance of preserving the UCITS brand for the benefit of funds and their investors worldwide.
Member benefits

ICI’s international work draws upon the entire leadership and staff of ICI, all of whom have specialised knowledge about a wide variety of global issues and their effects on regulated funds and their investors. In addition, ICI Global is led by a specialised team of former regulators from around the world, who have a long history of working with international organisations and national policymakers in the Americas, the Asia-Pacific region, and the European Union.

As a member of ICI, you not only gain access to our team of global regulated fund experts, but you also receive an array of benefits, specialised services, and online resources.

Legal and policy expertise and engagement

ICI’s legal and policy experts specialise in all aspects of understanding, analysing, and interpreting regulation involving global regulated funds, their managers, and investors. They provide comprehensive analysis, comment letters, and briefs in response to regulatory proposals and consultations, engaging with and informing members through timely communications and meetings. The team works on issues in such areas as:

- Regulated funds and financial stability
- Capital market development, structure, and operations
- Pension system design and reforms
- Cross-border regulation and passporting
- Regulated fund fees and expenses
- Investment and operations in jurisdictions worldwide
- Geopolitical developments and their effects upon regulated funds
- Cybersecurity
- Taxation
- Exchange-traded funds
- Developments and opportunities in financial technology

To learn about ICI Global’s team and their policy expertise, please visit www.iciglobal.org/team.
Leadership roles and committee participation

ICI Global is committed to bringing the perspective of global regulated funds, their managers, and investors to policymakers around the world. Successful advocacy depends upon robust engagement by members. To ensure that ICI Global can efficiently gather input on policy issues and effectively meet the unique needs of funds worldwide, ICI Global offers numerous opportunities for member engagement, including:

- **THE POLICY COUNCIL**
  This select high-level committee, whose members are appointed by ICI’s Board of Governors, takes the lead in setting ICI Global’s priorities and coordinating its initiatives around the world. There are two branches of the Policy Council: the Atlantic Policy Council and the Pacific Policy Council.

- **CHAPTERS**
  ICI Global’s Atlantic Chapter and Pacific Chapter are made up of senior business leaders from member firms, who meet from time to time to discuss current high-priority policy issues and ICI Global initiatives. The two chapters hold meetings throughout the year in London, Hong Kong, and other regional capitals.

- **STANDING COMMITTEES AND TASK FORCES**
  Standing committees and task forces are open to all members and are critical to providing input on and implementing international policy positions. They focus on a wide range of topics, including ETFs, the EU capital markets union, Brexit, Asia-Pacific fund passports, and more.
World-class research and analysis

ICI is known worldwide for its in-depth legal analysis of policy issues affecting the regulated fund industry and for its high-quality data and analysis concerning regulated funds, their investors, and retirement savings. As a member, you receive:

- **LEGAL ANALYSIS**—proprietary memos and comment letters offer analysis of fund policy issues from a multijurisdictional perspective.

- **STATISTICS AND RESEARCH**—weekly, monthly, and quarterly statistical and research reports inform members about trends affecting mutual funds, UCITS, ETFs, and other retail funds in developed and emerging markets.

- **RESEARCH PUBLICATIONS**—annual white papers and reports examine retirement markets, fund and investor behaviour, and topical issues.

- **THE ANNUAL INVESTMENT COMPANY FACT BOOK**—a comprehensive review of trends and activities in the investment company industry.
Effective engagement and timely communications

Engaging with legislators, regulators, the media, and the public is critical to advancing the interests of funds and educating these important stakeholders about the benefits provided by funds. ICI Global does this in many ways, including:

- **MEETING WITH POLICYMAKERS**—regular meetings with policymakers worldwide ensures the fund industry’s voice is heard early and often in regulatory debates.

- **OFFERING EXCLUSIVE ONLINE ACCESS**—our comprehensive website includes a members-only section featuring archived comment letters, committee materials, and other key documents.

- **COHOSTING AND PARTICIPATING IN INDUSTRY EVENTS**—presentations and speeches at select events worldwide increase awareness about regulated fund issues.

- **EXTENSIVE MEDIA OUTREACH**—press interviews, op-eds, blog posts, and social media enable ICI Global to offer thought leadership on funds, investors, retirement, and capital markets to a broad audience.

- **DAILY, WEEKLY, AND MONTHLY NEWSLETTERS**—ICI Global Daily, Brexit Briefing, the Managing Director’s Report, and the President’s Quarterly Report keep members informed about policy issues and ICI Global’s work on them.
Extensive opportunities for sharing knowledge and engaging stakeholders

ICI hosts a variety of events around the world to enable members and industry stakeholders to come together to learn about regulatory developments, operational challenges, and best practices. These events also provide a collaborative environment where colleagues can connect and foster progress on the issues that are most important to funds and their investors. Events include:

- **ICI’S GENERAL MEMBERSHIP MEETING**
  This annual conference features a range of prominent speakers and brings together fund industry leaders and policymakers from around the globe to explore regulatory developments, investment trends, and more. For more information, visit [http://gmm.ici.org](http://gmm.ici.org).

- **GLOBAL RETIREMENT SAVINGS CONFERENCE**
  At these events, regulators, academics, and fund industry leaders from different jurisdictions come together to discuss retirement challenges facing countries worldwide, and the role of funds in building retirement resources.

- **GLOBAL CYBERSECURITY FORUM**
  These events, held in cities around the world, offer members the opportunity to learn about the fundamentals of a robust cybersecurity programme, to connect with local law enforcement officials, and more.

- **GLOBAL CAPITAL MARKETS CONFERENCE**
  This popular event convenes policymakers, members, and other market participants to discuss regulatory developments and market structure changes. Conferences feature notable industry experts and leaders of international policymaking organisations.

- **ISSUE-ORIENTED SEMINARS AND WEBINARS**
  To help members better understand policy developments, ICI Global hosts seminars and webinars on various topics, including the revised Markets in Financial Instruments Directive (MiFID II), the China Bond Connect market, and global retirement savings trends.

During a GMM panel, Campbell Fleming of Aberdeen Asset Management discusses capital market initiatives in Europe with David Wright of Eurofi, Christian Dargnat of BNP Paribas Asset Management, Barbara Novick of BlackRock, and David Semaya of Nikko Asset Management.

To see and learn more about our previous events, please visit [www.iciglobal.org/eventhighlights](http://www.iciglobal.org/eventhighlights).
Interested in joining?

ICI membership is open to managers of regulated funds and funds that invest in securities, are substantively regulated, and are available to the general public in jurisdictions worldwide. Firms that join ICI and have international operations become members of ICI’s global division, and can directly benefit from and participate in ICI Global’s work.

Contact us
For more information about the benefits, requirements, or other details regarding membership, please contact Michelle Kretsch, senior director of membership, at 1-202-326-5972 or kretsch@ici.org.
ICI Global Committees and Subcommittees

GLOBAL EXCHANGE-TRADED FUNDS COMMITTEE
Examines the regulatory and business issues affecting the management and operation of ETFs at a regional and global level.

GLOBAL INFORMATION SECURITY OFFICER COMMITTEE
Focuses on cybersecurity issues and challenges, provides additional resources on cybersecurity matters to help mitigate operational and reputational risks, and coordinates with other associations and organizations tasked with sharing and disseminating cybersecurity data. There are two regional branches of this Committee: London and Tokyo.

GLOBAL PUBLIC COMMUNICATIONS COMMITTEE
Serves as a forum for discussing public relations issues that affect the global fund industry while seeking to develop and maintain a positive public image and increase public awareness and understanding of registered investment companies worldwide.

GLOBAL REGULATED FUNDS COMMITTEE
Addresses a range of regulatory and legislative issues affecting globally active regulated funds, their management companies, and their investors.

GLOBAL RETIREMENT SAVINGS COMMITTEE
Connects members from different regions to facilitate an exchange of knowledge about pension systems around the world and works to identify and prioritise short- and long-term priorities for ICI Global’s retirement savings work.

GLOBAL TAX COMMITTEE
Addresses tax issues affecting funds arising from legislative and regulatory initiatives at the global, regional, and national level.

GLOBAL TRADING AND MARKETS COMMITTEE
Addresses market structure and trading issues affecting funds arising from global, regional, and national legislative and regulatory initiatives; examines issues related to trading equities, fixed-income, and derivatives instruments; and focuses on reforms to the structure of those markets.

INTERNATIONAL INTERNAL AUDIT ADVISORY COMMITTEE
Provides a forum for members to discuss issues arising from the integration of multiple national requirements, the challenges they present for members operating in multiple jurisdictions, and sound internal audit practices for firms with a global presence.

INTERNATIONAL OPERATIONS ADVISORY COMMITTEE
Focuses on cross-border and single country investment fund (e.g. non-US funds, UCITS) operational challenges in the areas of transfer agency, shareholder servicing, and distribution. Committee members educate one another about investment fund markets around the world, with a focus on Asia-Pacific, EU, and Latin American countries.

INVESTING SUBCOMMITTEE
Focuses on issues that affect funds investing in markets around the world, such as large shareholder reporting, foreign investor matters, sanctions, and custody.
ICI Global Task Forces

BREXIT TASK FORCE
Designs and implements a strategy to support funds and their investors, and to respond to the challenges and opportunities presented by Brexit.

ESG TASK FORCE
Focuses on engaging with EU policymaking activity around sustainable investing, particularly initiatives that affect asset managers and regulated funds.

EU CAPITAL MARKETS UNION TASK FORCE
Evaluates and provides input on the capital markets union (CMU) initiative, which aims to develop and integrate capital markets in the European Union.