

ICI Supports SEC Proposal on Codes of Ethics for Investment Advisers, March 2004

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Letter Continues ICI Call for Reforms that Will Benefit Investors

Washington, DC, March 15, 2004 - The Institute today submitted its [comments](#) on an SEC proposal to bolster investment adviser codes of ethics. The SEC proposal would require investment advisers to establish a code of ethics containing: standards of conduct for advisory personnel, provisions reasonably designed to prevent misuse of material nonpublic information, and a requirement that access persons of the adviser report their personal securities transactions and holdings, including transactions in any mutual fund managed by the adviser.

“The Commission and the industry have considered issues relating to personal investing activities on several occasions during the past 10 years,” the ICI wrote in its letter. “Recent events involving personal investing activities of certain industry participants indicate that it is timely and prudent to revisit these issues. The Institute agrees with the SEC that further measures to reinforce the duty to place investors’ interests first are necessary.”

Last October, the Institute urged its members to amend or [clarify their codes of ethics](#) to include oversight of transactions by senior fund personnel in shares of funds offered or sponsored by the company. The Commission’s proposal, in part, would codify the Institute’s recommendation.

The ICI’s letter today supports the SEC proposal and recommends changes to facilitate compliance with the new requirements and avoid unnecessary burdens on advisers.