

ICI President Calls New SEC Compliance Rule An Essential Step in Sustaining Ethical Mutual Fund Business Culture

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Stevens Addresses Sold Out Mutual Funds Compliance Conference

Washington, DC, June 28, 2004 - ICI President Paul Schott Stevens told an audience of mutual fund independent directors and compliance professionals that “one lesson is clear above all others ... it is incumbent upon us all to take steps to ensure that the kind of abuses uncovered last September never happens again.”

[Speaking at the first mutual fund conference](#) cosponsored by the Investment Company Institute and the Independent Directors Council, Stevens reaffirmed “the Institute’s strong support for the broad-based reform process being pursued by the SEC.” While acknowledging that each of the SEC’s twenty or so recent mutual fund rulemakings “is highly important in its own right, [the compliance rule](#) may have the greatest long-term impact.” Stevens said to achieve the new rule’s goals, mutual funds will need to develop new structures and processes to “assure that all fund boards are, and remain, fully informed on compliance arrangements and issues affecting the fund” and its shareholders.

To assist mutual funds in fulfilling the SEC’s goal of enhanced compliance and more robust oversight, Stevens said the Institute “expects to create a new, standing committee of the ICI composed of Chief Compliance Officers.” The new committee will enable CCO’s “to share perspectives on the compliance challenges they face, to hone their techniques, and expand their knowledge.” Stevens pledged that the Institute would also develop white papers to provide guidance on key compliance issues, and would actively consider other steps to help ensure the success of the compliance regime the SEC has now prescribed for mutual funds and their advisers.