



Letter from Investment Company Institute

October 31, 202

By Electronic Transmission

The Honorable Paul S. Atkins
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: SEC Compliance Advisory Committee

Dear Chairman Atkins:

The Investment Company Institute¹ writes to express our strong support for the National Society of Compliance Professionals' ("NSCP") proposal to establish a Compliance Advisory Committee within the Securities and Exchange Commission.² Such a committee would provide the Commission with invaluable practical insight on the vital role of compliance professionals in protecting investors, promoting regulatory effectiveness, and enhancing market integrity.

Establishing such a committee also would be consistent with applicable federal requirements, and we concur with both Commissioners Peirce and Uyeda that such a Compliance Advisory

¹ The Investment Company Institute (ICI) is the leading association representing the asset management industry in service of individual investors. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage \$41.5 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 120 million investors. Members manage an additional \$9.7 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London.

² See Letter from Lisa Crossley, Executive Director and CEO, National Society of Compliance Professionals, to Honorable Paul S. Atkins, Chairman, U.S. Securities and Exchange Commission, dated Aug. 21, 2025, available at https://assets.noviams.com/novi-file-uploads/nscp/NSCP - Cvr_Ltr - SEC_CAC_Proposal_08212025.pdf; and National Society of Compliance Professionals, NSCP Recommendation: Compliance Advisory Committee Framework (Aug. 19, 2025), available at https://assets.noviams.com/novi-file-uploads/nscp/NSCP_Proposal_SEC_Compliance_Comm_Final_08192025.pdf.

Committee is necessary and appropriate.³ We also concur with the NSCP that such a committee, particularly one that includes voices from registered investment companies and registered investment advisers, would identify “practical solutions to enhance compliance processes, mitigate risks, and address regulatory priorities,” providing immeasurable benefits to the Commission and investors.⁴

Essential Insights

The creation of a Compliance Advisory Committee is consistent with the Federal Advisory Committee Act requirements in that its creation be “essential” and provide “information . . . not already available through another advisory committee or source within the Federal Government.”⁵ This committee would foster greater collaboration among the financial services industry, their investors, and regulators—a necessity given the increasing complexity of today’s financial landscape. A dedicated committee of compliance professionals also would provide the SEC with practical perspectives that are not readily available through existing channels.

Chief Compliance Officers (CCOs) and their teams are uniquely positioned to identify unintended consequences, implementation challenges, and emerging risks that are not otherwise visible to regulators. Their daily experience navigating evolving, cumulative, and interlocking regulations and guidance offers the Commission a “real world” lens for evaluating proposed and new rules and policy positions, illuminating operational feasibility, effectiveness, and potential unintended consequences. In a nutshell, this practical feedback is crucial to ensuring that new rules and positions are not only well intentioned but implementable and effective in practice.

We agree with Commissioners Peirce and Uyeda, who have publicly supported the value of CCO input and the need for a Compliance Advisory Committee. In a joint statement, Commissioners Peirce and Uyeda acknowledged that to effectively address certain compliance challenges, it is “essential” for the Commission to “hear from the people who write, implement, and oversee these policies.”⁶ Commissioner Peirce similarly called the

³ See, e.g., SEC Commissioner Hester M. Peirce and SEC Commissioner Mark T. Uyeda, *A Catalyst: Statement on Qatalyst Partners LP* (Sept. 24, 2024) (“Joint Statement”), available at <https://www.sec.gov/newsroom/speeches-statements/statement-peirce-uyeda-qatalyst-09242024>; SEC Commissioner Hester M. Peirce, *At the SEC: Nothing but Crickets Remarks at SEC Speaks* (April 2, 2024) (“Commissioner Peirce Speech”), available at <https://www.sec.gov/newsroom/speeches-statements/peirce-remarks-sec-speaks-040224>.

⁴ See *supra* note 2.

⁵ See [5 U.S.C. Chapter 10](#) at Section 2; [41 C.F.R. 102-3.30\(a\)](#). The Commission can act on its own to create a Compliance Advisory Committee. We also would support Congressional action, consistent with the Federal Advisory Committee Act, to create a permanent SEC Compliance Advisory Committee.

⁶ See Joint Statement, *supra* note 3 (“Input from compliance personnel is essential. To develop workable, effective policies, we need to hear from the people who write, implement, and oversee these policies. This issue would be a perfect one to put in front of a Chief Compliance Officer Advisory Committee.”).

perspectives of CCOs “invaluable in understanding how rules actually operate.”⁷ These comments underscore the need for a formal mechanism to gather insight from those on the front lines of compliance.

None of the Commission’s current committees provide the specialized, operational, and compliance expertise that a dedicated Compliance Advisory Committee would offer.⁸ This committee would add to a “diversity of perspectives” through the collective expertise of compliance professionals and would complement—not duplicate—existing advisory structures, providing different perspectives from other stakeholders, like investors or small businesses, who already have their own advisory committees. It also would ensure that the Commission benefits from a full spectrum of stakeholder perspectives.

Key Benefits

We agree with the NSCP that a Compliance Advisory Committee would offer key benefits, including, but not limited to:

- **Addressing Emerging Trends.** A dedicated forum would enable the SEC to anticipate, proactively probe, and respond to new compliance risks and industry developments in a rapidly evolving financial landscape, supporting timely guidance and rulemaking.
- **Enhancing Rulemaking.** Practitioner feedback would ensure that new rules and amendments are clear, effective, and feasible in practice, reducing unnecessary technological or cost burdens, identifying potential unintended consequences, and improving compliance outcomes.
- **Improving Oversight.** Direct dialogue on examinations and enforcement actions could help the SEC understand the practical impact of its oversight and identify best practices.

⁷ See Commissioner Peirce Speech, *supra* note 3 (“. . . we should form an advisory committee made up of chief compliance officers, whose perspective I have found invaluable in understanding how rules actually operate.”).

⁸ For example, Congress established the Investor Advisory Committee “to advise the Commission on regulatory priorities, the regulation of securities products, trading strategies, fee structures, the effectiveness of disclosure, and on initiatives to protect investor interests and to promote investor confidence and the integrity of the marketplace.” See SEC, Investor Advisory Committee Webpage, available at <https://www.sec.gov/about/advisory-committees/investor-advisory-committee>. Congress also created the Small Business Capital Formation Advisory Committee “to receive advice and recommendations on Commission rules, regulations and policy matters relating to small businesses, including smaller public companies.” See SEC, Small Business Capital Formation Advisory Committee Webpage, available at <https://www.sec.gov/about/advisory-committees/small-business-capital-formation-advisory-committee>. Neither of these advisory committees provides expert advice and industry insights from a compliance perspective and neither includes a current compliance officer on them.

- **Identifying Unintended Consequences.** Experienced compliance professionals can help the SEC foresee and avoid negative side effects of proposed rules or other contemplated policies, preventing new risks or market disruptions before they arise.
- **Building Trust.** A formal, collaborative platform would strengthen transparency and trust between the SEC and the industry it regulates, fostering a more effective regulatory environment.

Diverse Representation

Given the size and diversity of the financial services industry, the Commission should ensure that the Compliance Advisory Committee includes multiple, diverse perspectives (e.g., from different-sized entities with different client types and lines of business) from not only compliance professionals at registered broker-dealers and investment advisers, but from their counterparts at registered investment companies as well.⁹ Under the Commission's fund compliance rule (Rule 38a-1 under the Investment Company Act of 1940), fund CCOs have a unique reporting relationship with fund directors that does not have a counterpart at other regulated entities. Capturing these perspectives is important, as tens of millions of investors access their investments through registered funds, and including fund CCO perspectives will ensure that the committee's advice addresses the particular concerns and challenges of those CCOs and the directors they assist.

To ensure the diverse representation of the committee, the Commission also should impose term limits on members and implement a firm rotation policy to maintain a fresh perspective in an evolving landscape of compliance challenges.

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We commend the SEC for its ongoing commitment to stakeholder engagement and believe that establishing a Compliance Advisory Committee will further enhance that dialogue, ultimately strengthening the compliance landscape and better protecting investors. We respectfully urge the Commission to act upon the NSCP's proposal, and we stand ready to assist the Commission in structuring and launching any such committee.

⁹ The committee also could include compliance professionals from service providers that support these entities, as their direct exposure to compliance issues across an array of clients would offer valuable insights.

If you have any questions, please contact Kenneth C. Fang, Associate General Counsel, at kenneth.fang@ici.org or us at eric.pan@ici.org or paul.cellupica@ici.org.

Sincerely,

/s/ Eric J. Pan

Eric J. Pan
President & CEO

/s/ Paul G. Cellupica

Paul G. Cellupica
General Counsel

cc: The Honorable Hester M. Peirce
The Honorable Caroline A. Crenshaw
The Honorable Mark T. Uyeda

Brian Daly, Director
Division of Investment Management
Securities and Exchange Commission