

July 31, 2020

Stephen Brey, NASAA Project Group Co-Chair  
Stephen Bouchard, NASAA Project Group Co-Chair  
c/o State of Michigan, LARA  
Corporations, Securities & Commercial Licensing Bureau  
Attn: Stephen Brey  
PO Box 30018  
Lansing, MI 48909

Sent via email to [breys@michigan.gov](mailto:breys@michigan.gov) and [BouchardS@dca.njoag.gov](mailto:BouchardS@dca.njoag.gov).

Re: Notice of Request for Public Comment  
Regarding a Proposed Model Rule for  
Investment Adviser Written Policies and  
Procedures Under the Uniform Securities  
Acts of 1956 and 2002

Dear Mssrs. Brey and Bouchard:

The Investment Company Institute<sup>1</sup> (“Institute”) appreciates the opportunity to comment on NASAA’s *Notice of Request for Public Comment Regarding a Proposed Model Rule for Investment Adviser Written Policies and Procedures Under the Uniform Securities Acts of 1956 and 2002* (“NASAA’s Proposal”). If adopted, NASAA’s Proposal would result in a model rule that would make it unlawful for a registered investment adviser to provide investment advice unless it establishes, maintains, and enforces policies and procedures tailored to the investment adviser’s business. Many of the provisions that would have to be included in the policies and procedures required by NASAA’s Proposal track those found in the rules of U.S. Securities and Exchange Commission (“SEC”) that govern federally-

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<sup>1</sup> The [Investment Company Institute](#) is the leading association representing regulated funds globally, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. The Institute seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. The Institute’s members manage total assets of \$24.8 trillion in the United States, serving more than 100 million US shareholders.

Stephen Brey, NASAA Project Group Co-Chair  
Stephen Bouchar, NASAA Project Group Co-Chair  
July 31, 2020  
Page 2

registered advisers. As a result, regardless of whether an adviser is federally-registered or state-registered, it will be subject to similar regulatory requirements.

We offer no comment on the substance of NASAA's Proposal as it will not impact our members, which are all federally registered. We do, however, commend the NASAA Project Group that drafted this proposal with ensuring that it is consistent with the states' authority under Section 203A of the National Securities Markets Improvement Act of 1996.<sup>2</sup> As such, no investment adviser that is required to register with the SEC will be subject to the requirements of the model rule; they will instead only be subject to the SEC's regulatory requirements. We also commend the NASAA Project Group for aligning the model rule's requirements with the SEC's rules applicable to federally-registered advisers. We believe such conformity both facilitates regulatory compliance and ensures that all advisory clients receive similar protections regardless of whether the adviser is subject to federal or state regulation.

The Institute appreciates the opportunity to share these brief comments with you and the Project Group on NASAA's Proposal. If you have any questions concerning these comments, please do not hesitate to let me know.

Regards,

Tamara K. Salmon  
Associate General Counsel

Cc: NASAA Corporate Office ([nasaacomment@nasaa.org](mailto:nasaacomment@nasaa.org))

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<sup>2</sup> It does so by limiting application of the proposal to "an investment adviser registered or required to be registered pursuant to [section 201 of the 1956 Act of section 403 of the 2002 Act] to provide investment advice to clients."