

Focus on Funds: Fund Compliance Is an Increasingly Collective, Complicated Responsibility

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Fund compliance has become a multifaceted concern that affects many different departments within fund complexes. In the July 26, 2019, edition of *Focus on Funds*, ICI Associate General Counsel Tami Salmon explains the changes and what it means for the industry.

Transcript

Stephanie Ortvals-Tibbs, ICI director of media relations: What's the latest trend in compliance? It is everyone's responsibility these days, as I recently learned from talking with ICI's Tami Salmon.

Tami Salmon, ICI associate general counsel: Everything we do is between the fund having a contract with a vendor or a service provider. It's incumbent upon the fund to oversee each one of those service providers to make sure they're acting in compliance with the law and it doesn't come back to harm the fund. Not only that, but we've got the agreements with our service providers, but they have agreements with their service providers. So it's really a chain of intermediaries that our funds need to keep an eye on. So it's a huge challenge in how you oversee the totality of all these service providers.

Ortvals-Tibbs: So many people within a fund complex interact with the compliance folks, but they may not always have a sense of the issues that their colleagues are working on—kind of in totality. They probably work with them on one thing, right?

Salmon: That's correct.

Ortvals-Tibbs: So as you think about it, what should folks outside of the compliance area appreciate about the habitat that compliance people are working in at present?

Salmon: The compliance officer needs to know what's going on throughout an organization, and they really depend upon every employee to kind of be their eyes and ears. If there's even a potential concern, somebody should raise their hand, bring it to the attention of the compliance officer.

Ortbals-Tibbs: It feels like those folks, just a lot of us who ride public transit, see, which is, “if you see something, say something.”

Salmon: Exactly. That’s exactly right.

Additional Resources

- [Financial Intermediary Controls and Compliance Assessment Engagements \(pdf\)](#)
- [Focus on Funds: For the Crucial Job of Compliance, Funds Gain New Resource](#)

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