

## Focus on Funds: For the Crucial Job of Compliance, Funds Gain New Resource

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Regulatory compliance touches all corners of the mutual fund and exchange-traded fund (ETF) industry. In the September 21, 2018, edition of *Focus on Funds*, David H. Lui and John H. Walsh, editors of *Modern Compliance*, discuss how their new reference book captures best practices and can help practitioners do their job.

### Transcript

**Stephanie Ortals-Tibbs, ICI director of media relations:** Compliance may or may not be in your job description or feel like it's necessarily part of your everyday work. But a new set of resources for the industry could help both those who are expert in the field, and those who touch it only occasionally, as I learned from speaking to the authors at ICI's General Membership Meeting.

**David H. Lui, *Modern Compliance* author/editor:** You know, I think that people—especially in compliance—need some guidance on where the best practices are. So, you can go to your lawyer and ask for what the minimum standard is. But to know where all your colleagues are from firm to firm to firm across the industry, where you want to be to be at the top of the game, you need a resource. And that resource didn't exist.

So what we did is we brought people in from all the different firms around the country to write chapters on the areas that they were passionate about. And in their writing, you can see: okay, here's the way that we should handle this at our firm, that at our firm, and people need a quick reference. And that's what the book is.

**John H. Walsh, *Modern Compliance* author/editor:** Well, I think one of the things that makes the book really unique is, for example, people who wanted to write about fiduciary duty, were people who worked all the time with investment advisers, and they knew fiduciary duty inside out.

But I think that the key thing is, these are really thought leaders. These are people who had dedicated their life to the things they were writing about, and so it wasn't just simply an amalgamation of ideas. It was, these are people who are leading the field in what they had to say.

We wanted to turn the average book around. The usual book starts with "What's the rule?" and then thinks about, "Well, what do you do about the rule?" [whereas] we wanted to turn around and say, "Well, you're a compliance practitioner; what do you need to know

to do your job day in and day out?”

And then, after you get through that, you say: “What are the specific rules I need to apply?”

**Ortbals-Tibbs:** You know, the other thing I was going to say, though, is [that] writing a book these days is a bit of an act of bravery, right? And editing a book. Because you could say, “Oh, I’ll just do a blog,” right? Or, “I’ll toss it off, and I’ll tweet about it.” This is not exactly a tweet. How do you see this as being something timeless?

**Lui:** Oh, that’s a great question. You know, part of making a book about best practices is you’re not hostage to the state of the law currently, so it can change 5 and 10 percent. But by and large, you’re way over that bar, so the book has a lot of staying power.

**Walsh:** Both of us wrote chapters at a pretty high level—what is the history of compliance, or what are the essential elements of compliance? And I don’t think from day to day, those are going to change a lot. Now, there may be chapters on compliance for advertising and things like that that are going to require more updates. But I think [for] someone who reads this book, there’ll be a lot of things that are good today that’ll be good five years from now.

**Ortbals-Tibbs:** So I’m not a lawyer. Can I still read this book?

**Lui:** You know, there are elements of it that you certainly could. It’s geared to take an entry-level person through, okay, what are the requirements?

**Walsh:** I would add many fine compliance officers are not lawyers, and so the book reflects that, that these are people who understand what they need to do, but they don’t necessarily have a law degree. So, have at it.

## Additional Resources

- [Modern Compliance Publication Website](#)
- [Save the Date for ICI’s 2019 Mutual Fund Compliance Programs Conference](#)