

IDC Statement on SEC Swing Pricing Proposal

Washington, DC; February 14, 2023—Independent Directors Council (IDC) Managing Director Thomas Kim released the following statement regarding the Securities and Exchange Commission’s (SEC) proposal mandating swing pricing for mutual funds:

“IDC and fund independent directors, on behalf of the shareholders they represent, are deeply concerned about the negative consequences of the SEC’s hard close, mandatory swing pricing, and liquidity proposal.

“The proposal would treat many shareholders who invest in mutual funds through 401(k) plans and other intermediaries as ‘second class’ by significantly limiting their ability to obtain same-day pricing, a key feature of mutual funds. By mandating the use of swing pricing—a blunt instrument with unintended impacts—on mutual funds, the proposal would cause shareholder confusion and ignore the facts and circumstances of particular funds and their investors through its one-size-fits-all approach.

“The proposal could result in the widespread displacement of mutual funds by other investment products that may be less regulated and do not offer the same degree of robust investor protection. The effect would be to drive investors away from a shareholder-centric investment product that is subject to stringent regulation, comprehensive disclosure requirements, and independent board oversight. IDC urges the Commission not to move forward with the proposal.”

To read IDC’s comment letter, [click here.](#)
