

# SEC Still Cool With Virtual Fund Board Meetings

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Mutual fund boards of directors need not meet in person to approve investment advisory contracts, Rule 12b-1 plans, or independent public accountants through December 31.

This SEC relief is conditioned on:

- A need due to circumstances related to COVID-19;
- Directors casting votes at a meeting using means of communication by which directors can hear each other simultaneously; and
- Ratification, at the board's next in-person meeting, of the action taken.

The SEC originally ordered this relief on March 25 and extended it on June 19. However, the SEC did not extend certain other relief it had granted on March 25.

In extending the relief, the SEC said that “[t]he health and safety of all participants in the securities markets is of paramount importance, and the Commission recognizes that boards of directors of registered management investment companies ... continue to face challenges traveling in order to meet the in-person voting requirements.”

The SEC also said that it “intends to continue to monitor the current situation” and, “if necessary,” further extend the “time period for the relief.”

## Authored By



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