

# Remarks at the March 2019 Investor Advisory Committee Meeting



**Commissioner Elad L. Roisman**

**March 28, 2019**

Thank you, Chairman Clayton. And, thank you to all of the Committee members for contributing your time and expertise here today. I also want to thank the SEC staff who support the important work of this Committee.

I am interested in all three of the discussions on today's agenda, as each will enhance the ongoing dialogue in these policy areas with additional investor-focused viewpoints. I will briefly offer a few thoughts about today's panels and then look forward to moving into the first discussion.<sup>[1]</sup>

With regard to market structure, let me begin by saying that I think our equity markets work extremely well today. They are liquid and mature, and it is incumbent on us to continue to ensure that they are fair and efficient. From a retail investor's standpoint, it has never been easier or cheaper to trade. Also, the products, tools, and information available to investors are incredible and constantly improving. Simply put, investors are in a better position, and have more safeguards, than at any other time in the history of our markets and arguably any other capital markets.

Nevertheless, it's at the heart of our mission to continue to identify areas for improvement. U.S. exchanges have evolved in many ways, especially over the last 15 years, and have contributed significantly to the soundness of our markets and the quality of trading for investors. I recognize that there is an inherent push and pull between (and amongst) exchanges, their members, and other market participants, and that views may differ on various topics. This could not be more evident than in the market data context, as we saw and heard during the roundtable the SEC hosted last October. Today, I hope to hear your perspectives on exchange regulatory structure in the context of investor protection—what is working, what could be improved, and what actions could the Commission explore taking to better serve investors. I would also like to highlight that, while there has been an increased focus on exchanges—and today's discussion centers on them as well—they are just one type of market center or execution facility. I would be very interested to hear your thoughts relating to other venues as well.

Next, I understand that the Committee will discuss public issuer disclosures on human capital management. I may not be able to attend that portion of today's meeting, so I want to take this opportunity to state my agreement with Chairman Clayton's recent remarks on this subject.<sup>[2]</sup> I particularly agree with the Chairman that "each industry, and even each company within a specific industry, has its own human capital circumstances." Our current principles-based disclosure requirements provide issuers with the flexibility to provide material human capital disclosures that reflect the company's particular circumstances and provide investors the information needed to make informed investment and voting decisions. I would be hesitant to support SEC rules or guidance that mandate rigid standards or metrics on human capital disclosures for all U.S. public companies. That said, I look forward to hearing the Committee's discussion on the subject.

Finally, I look forward to the last session today regarding trends in investment research, a topic that involves those SEC registrants who help U.S. retail investors access our capital markets. As Division of Investment Management

Director Dalia Blass recently noted,<sup>[3]</sup> the agency would benefit from gathering more information on current trends and effects of regulatory action to date before moving further in a particular policy direction. This is especially true with respect to smaller registrants, who often face high costs in adjusting to regulatory changes. I welcome your views this afternoon on the current state of today's research marketplace, its participants, and the research available to investors.

Thank you again for all your time and dedication to this Committee.

[1] My views and remarks are my own, and do not necessarily represent those of the SEC or other Commissioners.

[2] Chairman Jay Clayton, Remarks for Telephone Call with SEC Investor Advisory Committee Members" (Feb. 19, 2019), <https://www.sec.gov/news/public-statement/clayton-remarks-investor-advisory-committee-call-020619>.

[3] Division of Investment Management Director Dalia Blass, "Keynote Address: ICI Mutual Funds and Investment Management Conference" (March 18, 2019), <https://www.sec.gov/news/speech/speech-blass-031819>.