

## Public Statement

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# Opening remarks at the November 5, 2020 Meeting of the Asset Management Advisory Committee



**Commissioner Hester M. Peirce**

**Nov. 5, 2020**

Thank you, Ed [Bernard]. Welcome to the newest Committee member, Renee LaRoche-Morris. It is a pleasure to be able to speak to you all again. Today's agenda is in keeping with the Asset Management Advisory Committee's founding principles: to provide the Commission with a diverse set of perspectives on a range of topics affecting investors and market participants. Few matters are more pressing today for investors and markets than ensuring that asset managers are able to continue to function effectively and serve their clients' needs in these challenging times.

We are now in the ninth month of the pandemic lockdown, and I continue to be amazed at how well the market has responded to this wholly unanticipated upheaval of the global marketplace. Fortunately, lots of smart people, many of whom are participating in today's meeting, have been working for years to ensure that asset managers, broker-dealers, and other market participants have the ability to operate and serve investor needs in times of crisis and physical dislocation. Despite historic spikes of volatility reflective of the great uncertainty in most aspects of life, the market withstood the shocks and stresses of March and continued to function. Had we faced these challenges even five years ago, I cannot help but wonder how things would have played out. Technology, forethought, and private and public sector leaders focused on finding solutions came together at the right moment in time to avert what could have been an even greater period of turmoil.

In the first few weeks of the crisis, it seemed that a day did not pass without the Commission publishing exemptive orders on all manner of things, whether it was relieving funds and reporting companies of the necessity of in-person board and shareholder meetings, extending prospectus and annual report delivery, or pushing out filing deadlines on various forms. These orders were timely and thoughtful, and we can and should applaud the nimble and innovative leadership of Chairman Clayton, Dalia Blass, Bill Hinman, Brett Redfearn, and countless others at the Commission in overcoming these immediate challenges.

But *ad hoc* responses formulated to navigate around long-in-the-tooth regulatory prejudices are no way to regulate a complex market such as ours. No matter how farsighted a regulator tries to be, regulations are inevitably snapshots in time: memorials of the practices and thinking prevalent when the regulation was drafted. We have lived in a digital age for some time now, and if the last several months have taught us anything, default reliance on hardcopies and wet signatures have seen their day.

That is why today's agenda is as timely as it is important, and I hope that the discussion surrounding the thoughtful recommendations the Committee has put together concerning electronic delivery, remote work, e-authorization, and dematerialization will lay the foundation for a more flexible, technology-based regulatory structure. Although we have by no means emerged from the tunnel we entered in March, we can feel a bit of a breeze and the time is right for all of us to consider where changes to Commission policy are needed. I look forward to hearing what I know will be an informative discussion.