



## MUTUAL FUND DIRECTORS FORUM

*The FORUM for FUND INDEPENDENT DIRECTORS*

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### **MUTUAL FUND DIRECTORS FORUM RELEASES PAPER ON EVOLVING ROLE OF CHIEF COMPLIANCE OFFICERS & THEIR RELATIONSHIP WITH FUND BOARDS**

*New paper, latest educational initiative from the Forum,  
delves into the transformative nature of the fund CCO*

Washington, D.C. (April 8, 2015) – The Mutual Fund Directors Forum ([www.mfdf.org](http://www.mfdf.org)), the independent membership organization for fund independent directors, today released a paper titled *The Board/CCO Relationship* as part of the lead-up to this week’s Mutual Fund Directors Forum Policy Conference. This new paper provides significant insights for fund directors and other fund industry professionals on elements of a fund board’s relationship with the fund Chief Compliance Officer (CCO).

“The paper recognizes the transformative change in fund compliance that occurred when the SEC adopted Rule 38a-1 in 2004,” said Carolyn McPhillips, senior counsel of the Mutual Fund Directors Forum. “While compliance was not a new concept for funds, the compliance rule gave fund boards direct access to a single person responsible for fund compliance. In addition to access, the rule’s construction gives fund boards significant authority over the relationship – including the ability to hire and fire and to approve the CCO’s compensation.”

“The paper addresses the complexity of that relationship given the CCO’s need to develop strong working relationships with the adviser’s personnel,” continued McPhillips. “The CCO needs to be able to balance the needs of the board with the ability to work with the adviser to gain information as well as to address any potential compliance issues.”

The paper is designed to assist boards in fostering an effective board/CCO relationship, and covers issues including:

- Common characteristics of effective CCOs;
- Different models for the CCO relationship;
- The process of developing a compliance program;
- Communication protocols; and,
- Specific examples of compliance focus.

*The Board/CCO Relationship* is the latest in a long line of director-focused educational materials produced by the Forum, and can be found [here](http://www.mfdf.org/images/uploads/newsroom/Board-CCO_Relationship.FINAL.pdf) ([http://www.mfdf.org/images/uploads/newsroom/Board-CCO\\_Relationship.FINAL.pdf](http://www.mfdf.org/images/uploads/newsroom/Board-CCO_Relationship.FINAL.pdf)).

**About the Mutual Fund Directors Forum**

Formally organized in 2002, the Mutual Fund Directors Forum is an independent, nonprofit organization that serves the independent directors of U.S. mutual funds by providing educational and outreach programs as well as the opportunity for directors to exchange views with one another, other industry participants, and with industry regulators. For more information, please visit [www.mfdf.org](http://www.mfdf.org).

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