



945606

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/10/2010	.	
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The Committee on Governmental Oversight and Accountability  
(Ring) recommended the following:

**Senate Amendment**

Delete lines 261 - 264  
and insert:  
215.4754 Ethics requirements for investment advisers and  
managers.-

The intent of this section is to promote independence, and  
avoidance of conflicts and improper influence by certain  
investment advisers and managers without creating unnecessary  
barriers to the board performing its investment duties  
consistent with its fiduciary standards, investment performance  
and business relationships.



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13 (1) A contract under which an investment adviser or manager  
14 has been retained to exercise investment authority on behalf of  
15 the board for direct holdings, as defined at s. 215.473(e),  
16 shall require that the investment adviser or manager abide by a  
17 standard of conduct, and any such contract may be terminated by  
18 the board if the investment adviser or manager violates such  
19 standard of conduct.

20 (2) An Investment Advisory Council member or any business  
21 organization or any affiliate thereof which is owned by or  
22 employs such member may not directly or indirectly contract with  
23 or provide any services for the investment of trust funds  
24 invested by the board during the time of such member's service  
25 on the council or for two years thereafter.

26 After line 265

27 insert:

28 Section 8. Section 215.4755, Florida Statutes, is created to  
29 read:

30  
31 215.4755 Certification and Disclosure requirements for  
32 investment advisers and managers.—

33 (1) An investment adviser or manager, with discretionary  
34 investment authority for direct holdings, as defined at s.  
35 215.473(e), retained pursuant to s. 215.44(2)(b) shall agree in  
36 contract to annually certify in writing to the board that:

37 (a) All investment decisions made on behalf of the trust  
38 funds and board are made in the best interests of the trust  
39 funds and the board, and not made in a manner to advantage such  
40 investment adviser or manager, other persons or clients to the  
41 detriment of the trust funds and board.



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42 (b) Appropriate policies, procedures or other safeguards  
43 have been adopted and implemented to ensure that relationships  
44 with any affiliated persons or entities do not adversely  
45 influence the investment decisions made on behalf of the trust  
46 funds and board.

47 (c) A written code of ethics, conduct or other set of  
48 standards which governs the professional behavior and  
49 expectations of owners, general partners, directors or managers,  
50 officers and employees of the investment adviser or manager has  
51 been adopted and implemented and is effectively monitored and  
52 enforced. The investment advisers' and managers' code of ethics  
53 shall require that:

54 (i) Officers and employees involved in the investment  
55 process shall refrain from personal business activity that could  
56 conflict with the proper execution and management of the  
57 investment program over which the investment adviser or manager  
58 has discretionary investment authority or that could impair  
59 their ability to make impartial decisions with respect to such  
60 investment program;

61 (ii) Officers and employees shall refrain from undertaking  
62 personal investment transactions with the same individual with  
63 whom business is conducted on behalf of the board.

64 (d) The investment adviser or manager has proactively and  
65 promptly disclosed to the board, notwithstanding subsection (2)  
66 below, any known circumstances or situations that a prudent  
67 person could expect to create an actual, potential or perceived  
68 conflict of interest, including and specifically:

69 (i) Any material interests in or with financial  
70 institutions with which officers and employees and conduct



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71 business on behalf of the trust funds and the board;  
72 (ii) Any personal financial or investment positions of the  
73 investment advisor or manager that could be related to the  
74 performance of investment program over which the investment  
75 adviser or manager has discretionary investment authority on  
76 behalf of the board.  
77 (2) At the board's request, an investment adviser or  
78 manager, with discretionary investment authority over direct  
79 holdings, as defined at s. 215.473(e), retained pursuant to s.  
80 215.44(2)(b) shall disclose in writing to the board:  
81 (a) Any non-confidential, non-proprietary information or  
82 reports to substantiate the certifications required under  
83 subsection (1).  
84 (b) All direct or indirect pecuniary interests the  
85 investment adviser or manager has in or with any party to a  
86 transaction with the board, if the transaction is related to any  
87 discretionary investment authority the investment adviser or  
88 manager exercises on behalf of the board.  
89 (3) An investment adviser or manager certification required  
90 under subsection (1) shall be provided annually, no later than  
91 January 31, for the reporting period of the previous calendar  
92 year on a form prescribed by the board.