

## Time to overhaul director selection

Independent director selection is usually done on a who you know basis. With changes coming in the UK, CP 86 etc selection procedures could do more to find those with experience but without contacts to fill director positions. But what could realistically be done to help those with the right skills and experience – but without connections – become independent directors?

Research that The NED conducted last year showed that the selection process is generally pretty random. Good and experienced people are often selected for boards but they tend to move in the same circles and have similar backgrounds. This is particularly the case for directors of funds domiciled in Guernsey, Jersey, Ireland and Luxembourg. (In Ireland the problem is made worse by the two director residency requirement.)

Getting directorships in these fund domiciles tends to be dependent upon who you know there – including in the selection of independents that are not resident in the jurisdiction itself.

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## NED event on the FCA's governance changes

On June 19 The NED is hosting a morning event on the FCA's reforms to the boards of authorised fund managers (AFMs) in the UK.

At this event it will be presenting the results of research that it is conducting with AFMs on their reaction to requirement to have a minimum of two independent directors on their boards.

In particular, The NED would like to find out what kind of people AFMs expect to select as independents for their boards, what selection processes they are likely to use to find them and when they anticipate that they will be a position to start this process.

The results will then be a debated by a panel and the audience. This is expected to be the first in a series of such events that The NED will be hosting on the introduction of independents to UK fund boards.

Attendance at this event is free for NED subscribers. Please e-mail Tamara Sims [sims@ifiglobal.com](mailto:sims@ifiglobal.com) for details.

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