Investment Management Legal and Regulatory Update

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LATEST DEVELOPMENTS

Former SEC Commissioner Atkins to Serve as SEC Chair

Paul Atkins will serve as SEC chair under the Trump administration following Senate confirmation and the departure of Gary Gensler, who served as chair of the SEC since 2021. President Donald Trump selected Atkins, who previously served as a Republican member of the SEC during the George W. Bush administration, for his experience at the SEC, expected approach to enforcement and favorable views on cryptocurrency. We expect that Atkins will pull back on the robust rulemaking and enforcement agenda that was the focus of Gensler's tenure. Under Chair Gensler, the SEC adopted many high-profile rules, including the tailored shareholder report rule, amendments to the investment company names rule, and the highly contested climate-related disclosures rule. Under Gensler's leadership, the SEC's Enforcement Division filed more than 2,700 enforcement actions and secured roughly $21 billion in penalties and disgorgement orders, with noteworthy penalties imposed in off-channel communications enforcement actions.

Sources: SEC Chair Gensler to Depart Agency on January 20, SEC Press Release 2024-182 (Nov. 21, 2024), available here; Trump Picks Paul Atkins to Run SEC, The Wall Street Journal (Dec. 4, 2024), available here.

SEC Announces 2025 Examination Priorities

The SEC's Division of Examinations (Division) recently announced its 2025 examination priorities. The Division reflects on its 30-year history by noting the size and breadth of the Division's staff and specialized examinations programs have expanded significantly since 1995 – from approximately 500 staff members across three programs to over 1,100 staff members across five programs. Many examination priorities are largely unchanged from recent years, such as oversight of third-party service providers, cybersecurity and operational resiliency. In addition, the Division continues to target advisers and funds that are newly registered, have not been examined recently or have never been examined. In a change from prior years, the exam priorities reflect an enhanced focus on controls over the use of artificial intelligence (AI) and accurate disclosure regarding AI usage by investment advisers.

For 2025, the Division will continue to conduct examinations in core areas, such as governance practices and disclosures, the use of emerging technologies, compliance with new rules and the strength of controls intended to protect investor assets, information and records.

Advisers

Fiduciary Duty of Advisers. The Division will continue to focus on:

- Investment advice, including advice to clients regarding high-cost products, unconventional investments, illiquid or hard-to-value assets and investments sensitive to changing market conditions or rising interest rates.

- Dual registrants and advisers with affiliated broker-dealers, including the following focus areas:
  - Assessing investment advice and recommendations related to certain products to determine whether they are suitable for a client's advisory accounts;
  - Reviewing client disclosures related to the capacity in which recommendations are made (i.e., as a fiduciary or not);
  - Reviewing the appropriateness of account selection practices, such as rollovers from an existing brokerage account to an advisory account; and
  - Evaluating whether and how advisers adequately mitigate and fairly disclose conflicts of interest.

Compliance Programs. The 2025 examination priorities state that "the Division's assessment of the effectiveness of advisers' compliance programs is a fundamental part of the examination process." Examinations focusing on this topic will include an assessment of the following core areas (as applicable) of an adviser's compliance program: marketing, valuation, trading, portfolio management, disclosures and filings, and custody. Advisers should continue to expect examinations to include an assessment of their annual reviews of the effectiveness of their compliance programs, which the Division deems critical to addressing and monitoring conflicts of interest.

The Division will continue to assess whether policies and procedures address compliance with the Advisers Act and whether they are reasonably designed to prevent advisers from placing their interests ahead of clients. Key focus areas of examinations may include:

- Fiduciary obligations of advisers that outsource investment management and selection;
- Alternative sources of revenue or benefits advisers receive (e.g., selling non-securities based products to clients); and
- The appropriateness and accuracy of fee calculations and disclosure of fee-related conflicts of interest (e.g., conflicts associated with certain clients negotiating lower fees when similar services are provided to other clients at higher rates).

Examinations may review higher-risk practices or products, including the following:

- When clients are investing in illiquid or hard-to-value assets (such as commercial real estate), examinations may focus on valuation;
- When advisers are using integrative AI in advisory operations (such as portfolio management, trading, marketing and compliance), examinations may focus on disclosures and compliance policies and procedures; and
- When advisers are using a large number of independent contractors working from geographically dispersed locations, examinations may focus on oversight and supervision practices.

Advisers to Private Funds

The Division remains focused on advisers to private funds and will prioritize specific topics, such as:

- Whether (1) disclosures are consistent with actual practices, (2) the adviser met its fiduciary obligations in times of market volatility, and (3) a private fund is exposed to interest rate fluctuations;
- The accuracy of calculations and allocations of private fund fees and expenses – both at the fund level and investment level;
- Disclosure of conflicts of interest and related risks, and the adequacy of policies and procedures; and
- Compliance with recently adopted SEC rules (such as amendments to Form PF and the updated marketing

rules) in order to assess whether advisers have established adequate policies and procedures and whether their practices comply with such recently adopted SEC rules.

Investment Companies

Fund examinations will cover compliance programs, disclosures and governance practices. Examination focus areas may include:

- Fund fees and expenses, including waivers and reimbursements;
- Service provider oversight (both affiliated and third-party);
- Review of portfolio management practices and disclosures for consistency with claims about investment strategies and with filings and marketing materials; and
- Issues relating to market volatility.

How are Advisers and Funds Selected?

Consistent with existing practices, the Division will examine advisers and fund complexes that have never been examined and those that have not been recently examined, with a focus on newly registered advisers and funds.

Broker-Dealers

The Division will continue to focus on broker-dealer compliance with the net capital rule and the customer protection rule and related internal controls, processes and procedures.

Examination focus areas will include:

- Accounting practices impacted by recent regulatory changes and the timeliness of financial notifications and other required broker-dealer filings;
- Operational resiliency programs, including the supervision of third-party service providers who contribute to the records firms use to prepare their financial reporting information; and
- Credit, market and liquidity risk management to ensure broker-dealers have sufficient liquidity to manage stress events.

Risk Areas Impacting Market Participants

Information Security and Operational Resiliency

The Division stated that "operational disruption risks remain elevated due to the proliferation of cybersecurity attacks, firms' dispersed operations, weather-related events, and geopolitical concerns." The Division remains focused on procedures and practices to evaluate whether registrants are reasonably managing information security and operational risks. Focus areas include firms' governance practices, data loss prevention, access controls, account management and responses to cyber-related incidents.

The Division will also focus on registrants' compliance with applicable identity theft and privacy rules (Regulations S-ID and S-P), and internal controls, oversight of third-party service providers and governance practices. Examinations will focus on policies and procedures relating to safeguarding customer records and information at firms providing electronic investment services, including:

- Identification and detection to protect against and prevent identity theft;
- Practices to prevent account intrusions and safeguard customer records and information; and

- Firm training on identity theft prevention programs and whether their policies and procedures are reasonably designed to protect client records and information.

Examinations will also evaluate firms' efforts to address operational risks, as operational failures may impact firms' abilities to safeguard client records and information.

In anticipation of the compliance date for the SEC's amendments to Regulation S-P, the Division plans to engage with firms during examinations regarding their progress in preparing and establishing incident response programs.

Emerging FinTech

The Division continues to focus on registrants' use of FinTech services, such as automated investment tools, AI, and trading platforms or algorithms, and the risks associated with using these types of technologies and alternative data sources. In particular, the Division intends to examine firms employing digital investment management services, recommendations and related methods and tools.

The Division will examine firm representations related to their AI capabilities and AI use for accuracy. The Division will also evaluate whether registrants have implemented adequate policies and procedures to monitor and supervise AI, such as tasks related to fraud detection and prevention, back-office operations, anti-money laundering (AML) and trading functions (as applicable).

Crypto Assets

The Division continues to monitor and, when appropriate, examine registrants offering crypto asset-related services. Examinations will review whether advisers and broker-dealers are meeting the appropriate standards of conduct when advising clients, trading or recommending crypto assets. They will also assess whether registrants are routinely reviewing, updating and enhancing their compliance practices (such as custody practices, compliance reviews and valuation procedures), risk disclosures and operational resiliency practices (i.e., business continuity plans).

AML

The Division will continue to focus on AML programs to review whether broker-dealers and funds are:

- Appropriately tailoring their AML programs to their business models and associated AML risks;
- Conducting independent testing;
- Establishing an adequate customer identification program (i.e., CIP); and
- Meeting their suspicious activity report (i.e., SAR) filing obligations.

The Division will also assess whether broker-dealers and advisers are monitoring the Department of Treasury's OFAC sanctions and ensuring compliance with these sanctions.

Conclusion

Godfrey & Kahn Take: Despite the uncertainty following the change in administration and a new SEC Chair, advisers, funds and broker-dealers should review and assess their compliance policies, procedures and practices to confirm they are ready for an examination in keeping with the above guidance. As technology continues to transform investing, firms should particularly take note of focus areas on digital assets, AI, cybersecurity, trading algorithms and use of third-party vendors.

Sources: SEC Division of Examinations Announces 2025 Priorities, SEC Press Release 2024-172 (Oct. 21, 2024), available here.

LATEST DEVELOPMENTS: FUNDS

SEC Issues Alert Regarding Risk-Based Approach to Funds

The Division published a risk alert in November 2024, which summarizes the Division's examination observations related to certain core review areas and is intended to help funds and their advisers in developing and enhancing compliance policies, procedures and practices. It also highlights examples of weaknesses or deficiencies observed by the Division and provides a comprehensive list of the types of information the Division may request during a regular fund examination.

Examination Selection and Scoping

The Division identified the following factors it considers when selecting examination candidates:

- whether a fund's investment strategy or portfolio holdings meet criteria relevant to the focus areas described in the Division's examination priorities;
- whether a fund is subject to new regulatory requirements; and
- a fund complex's examination history or when it first began operations.

The Division also assesses fund-specific and adviser-specific risks, such as those related to the fund's or its adviser's business activities, conflicts of interest and regulatory history.

The Division identified the following core areas that are part of fund examinations: (1) compliance programs; (2) fund governance; and (3) disclosures and regulatory reports.

The risk alert provides the following examples of what the Division will review during fund examinations:

- Compliance policies and procedures of funds and their services providers for effectiveness and whether such policies and procedures address certain risks, including risks associated with fee allocations between the adviser and its fund or other advisory clients.
- Funds' board governance processes and the efficacy of board oversight of fund compliance programs.
- Funds' investment advisory approval process, including the thoroughness of the board's review of fund fees for consistency with disclosures.
- Fund disclosures in investor communications and regulatory filings for their consistency with fund operations, conflicts of interests and portfolio management.

Observations from Fund Examinations

The risk alert summarizes common weaknesses and deficiencies the Division staff observed during the most recent four-year period in the following three core areas.

Compliance Programs

- Funds failing to perform required reviews or oversight as provided in their compliance programs or perform required assessments of the effectiveness of such programs.
- Funds failing to adopt, implement, update or enforce policies and procedures, such as addressing critical fund areas of compliance with federal securities laws by funds and their service providers.
- Policies and procedures that were not tailored to a fund's business model or were incomplete, inaccurate or inconsistent with actual practices, including those related to derivative risk management programs, redemption requests and compliance risks associated with investment strategies.

- Funds' codes of ethics failing to be adopted, implemented, followed or enforced, or were otherwise inadequate.
- Fund CCOs failing to provide required written annual compliance reports to fund boards.

Disclosures and Filings

- Fund registration statements, fact sheets and semi-annual and annual reports containing incomplete or outdated information or potentially misleading statements.
- Sales literature (including websites) appearing to contain untrue statements or omissions of material fact.
- Fund filings not made on a timely basis or failed to be filed.

Governance Practices

- Fund board approvals of advisory agreements appearing to be inconsistent with the Investment Company Act or funds' written compliance procedures, including:
  - Not timely reviewing advisory and sub-advisory agreements;
  - Not requesting, obtaining or considering certain information to assess advisory agreements before approving them (e.g., information regarding advisory fees, soft dollar arrangements, etc.); and
  - Not considering material changes to the advisory agreement (e.g., adviser changes in control or changes in advisory fee rates).
- Fund boards not receiving certain information to effectively oversee fund practices, including illiquid holdings and changes to fund compliance programs.
- Fund boards failing to perform required responsibilities, such as not making certain required determinations (e.g., annual determination whether joint liability insurance policies remain in a fund's best interest).
- Fund board minutes not fully documenting board actions (such as not memorializing approval of liquidity risk management programs or accurately capturing board considerations in approving advisory agreements).

Requested Documents – Typical Information Requested

The risk alert provides a comprehensive list of what types of documentation and information the Division will commonly request. Initial requests for information generally include: (1) general information to provide the staff with an understanding of the fund's business and operations; (2) information about the compliance risks that the fund and its adviser have identified and the written policies and procedures the fund has adopted to address such risks; (3) information to evaluate board governance processes and efficacy of board oversight of funds' compliance programs; and (4) information to help the staff's testing for compliance.

Conclusion

Godfrey & Kahn Take: The risk alert puts fund boards on notice that the Division is reviewing board governance processes and oversight in light of the Division's observations of select instances where fund boards did not appear to meet responsibilities in areas such as the 15(c) advisory agreement renewal process. The risk alert can also serve as a guide for funds and advisers when preparing for examinations and enhancing their compliance programs, fund disclosures and fund governance practices. Fund management and compliance personnel should read the risk alert carefully to evaluate whether current practices could be enhanced in light of the risk areas identified by the staff.

Sources: Registered Investment Companies: Review of Certain Core Focus Areas and Associated Documents Request, Division of Examinations Risk Alert (Nov. 4, 2024), available here.

SEC Guidance: Tailored Shareholder Report Common Issues

On November 8, 2024, the Division of Investment Management's Disclosure Review and Accounting Office (DRAO) published guidance discussing common issues observed in the tailored shareholder reports filed by mutual funds and ETFs following the compliance date of July 2024. The DRAO, which is responsible for reviewing fund disclosures, reported that the SEC staff has noted several recurring issues related to tailored shareholder reports.

Expense Information. The staff observed that funds have incorrectly calculated the values to be included in the expense table. For example, some funds appear to have annualized the expenses in dollars paid on a $10,000 investment in their semi-annual shareholder report. Instead, the semi-annual report should reflect the dollar cost *over the period* and should therefore not be annualized. Similarly, funds appear to have calculated the expenses in dollars paid on a $10,000 investment by simply multiplying the "Costs paid as a percentage of your investment" by $10,000, which is incorrect. Rather, funds must multiply the figure in the "Cost paid as a percentage of your investment" column by the average account value over the period based on an investment of $10,000 at the beginning of the period.

Management's Discussion of Fund Performance. The guidance reminds funds to compare performance to an appropriate broad-based securities market index, and that such index cannot be an industry-focused index (i.e., an index with characteristics such as "growth," "value," or "small- or mid-cap," or another index that comprises only a subset of the overall applicable market). The tailored shareholder report adopting release contains additional guidance about how to select an appropriate broad-based index.

The staff also observed that, in the performance table presenting average annual total returns, many ETFs disclose their performance based on market value in addition to performance based on net asset value. The presentation of performance based on market value is not permitted to be included in tailored shareholder reports and should be omitted.

Availability of Additional Information Online. The guidance reminds funds that they are required to provide a link to certain additional information that is available on a fund's website. The staff found that many links provided were either broken or not specific enough to lead investors directly to the particular information referenced. The guidance states that shareholder reports rely on a layered disclosure framework and thus it is important to ensure investors have easy access to the information contained on a fund's website.

Additional Issues. The guidance contains various other findings and reminders relating to non-compliance with the tailored shareholder report requirements. For example, the staff reminds funds that the contents of shareholder reports are restricted to only the information which is specifically required or permitted under Item 27A of Form N-1A, and that the information in shareholder reports must follow the same order as required under Item 27A. The staff reported various instances of funds not following the instructions, such as failing to use text features to make certain disclosures prominent, rounding dollar figures incorrectly, and inconsistently disclosing the existence of material fund changes throughout the shareholder report.

Godfrey & Kahn Take: The SEC staff's views on tailored shareholder report disclosure reflect strict compliance with the requirements set forth in Item 27A of Form N-1A. Funds should carefully review the instructions and requirements of Item 27A, together with the new guidance, and avoid straying from what is explicitly required or permitted.

Sources: ADI 2024-14: Tailored Shareholder Report Common Issues, SEC Filing Procedures (Nov. 8, 2024), available here; Tailored Shareholder Reports for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements, SEC Final Rule, Release Nos. 33-11125; 34-96159, available here.

LITIGATION/ENFORCEMENT ACTIONS

Cherry-Picking Complaint

The SEC recently filed a complaint in the United States District Court for the Southern District of New York against Stephen Kenneth Leech, the former co-chief investment officer of Western Asset Management Company LLC (WAMCO), alleging fraud as part of a multi-year cherry-picking scheme. Of note, WAMCO was not named in this action. The complaint alleges from at least January 2021 through October 2023, Mr. Leech placed trades with brokers early in the trading day, and then waited until later in the day to allocate those trades among clients. According to the SEC's complaint, this delay allowed Mr. Leech to observe price movements and allocate trades at a first-day gain to favored portfolios and trades at a first-day loss to disfavored portfolios. The SEC alleges that Mr. Leech personally benefited from the cherry-picking, which resulted in hundreds of millions of dollars of gains and losses being allocated to the portfolios that he managed. The complaint further alleges that Mr. Leech concealed this scheme from his clients and his employer, and also violated WAMCO's best practices for allocating trades. The SEC's complaint charges Mr. Leech with violating antifraud and other provisions of the federal securities laws, and seeks permanent and conduct-based injunctions, an officer-and-director bar, disgorgement, prejudgment interest, civil penalties, and other relief.

Sources: SEC Charges Ken Leech, Former Co-Chief Investment Officer of Western Asset Management Co., with Fraud, SEC Press Release 2024-187 (Nov. 25, 2024), available here; SEC vs. Stephen Kenneth Leech, 24 Civ. 9017 (Nov. 25, 2024), available here.

SEC Charges Adviser for Misleading ESG Disclosures

On November 8, 2024, Invesco Advisers, Inc. (Invesco) agreed to pay a $17.5 million penalty to settle the SEC's charges against the firm for making misleading statements about the percentage of firm-wide assets that integrated environmental, social and governance (ESG) factors in its investment decisions.

The SEC's order states that Invesco made claims to current and potential clients regarding firmwide ESG integration of its investment strategies and, in particular, stated that between 70% and 94% of Invesco's parent company's assets under management were "ESG integrated." The order provides that such statements were misleading because these percentages included a considerable amount of assets that were held in passive ETFs that did not consider ESG factors in investment decisions. These statements were made in presentations to boards of directors of the funds it advised, in proposals to prospective clients and in certain marketing materials.

The SEC order also found that the firm failed to have any written policies or procedures defining ESG integration (i.e., how Invesco determined that a percentage of its assets under management was indeed "ESG integrated"). In particular, the order states that Invesco used the term "ESG integration" frequently in its disclosure documents, but Invesco failed to define the term.

As part of the settlement, Invesco (without admitting or denying the order's findings) agreed to cease and desist from willful violations of the Advisers Act, be censured and pay a $17.5 million civil penalty.

Godfrey & Kahn Take: When making statements about ESG investment considerations, advisers should ensure they have proper policies and procedures in place that outline how they define ESG investment strategies, including factors the advisers consider when making ESG investments. Advisers should also ensure that their disclosures in regulatory filings and marketing materials are consistent with their written policies and procedures regarding ESG investment strategies.

Sources: SEC Charges Invesco Advisers for Making Misleading Statements About Supposed Investment Considerations, SEC Press Release 2024-179 (Nov. 8, 2024), available here.

SEC Charges Rimar Capital Entities for Making False Statements Regarding Use of AI

The SEC charged Rimar Capital USA, Inc. (Rimar USA), Rimar Capital, LLC (Rimar LLC), Itai Liptz, and Clifford Boro for making false and misleading statements about Rimar LLC's purported use of AI to perform automated trading for client accounts and numerous other material misrepresentations. The SEC alleged that Mr. Liptz, owner and sole employee of the Rimar Capital entities, and Mr. Boro, a Rimar USA board member, identified and solicited investors in the offering of Simple Agreements for Future Equity (SAFEs) in Rimar USA for the development of Rimar LLC. According to the SEC, Mr. Liptz and Mr. Boro raised nearly $4 million from 45 investors by making false representations regarding Rimar LLC's use of AI to perform automated trading for advisory client accounts in a range of products including equities, futures, and crypto assets, as well as misrepresentations about the platform's features, its assets under management, its performance, and its supposed AI-powered application.

According to Andrew Dean, Co-Chief of the SEC's Asset Management Unit, Mr. Liptz enticed investors with marketing pitches that included buzzwords related to the latest AI technology. Mr. Dean further stated that the SEC "will continue to be vigilant and pursue those who lie about their firms' technological capabilities and engage in 'AI washing'" amid the increase in the use of AI in the investment space.

Without admitting or denying the SEC's findings, Rimar USA, Rimar LLC, Mr. Liptz, and Mr. Boro consented to the entry of an order finding antifraud violations and to cease and desist from future violations. Mr. Liptz consented to pay disgorgement and prejudgment interest totaling $213,611, to pay a $250,000 civil penalty, to be subject to an investment company prohibition and to be barred from association with any broker, dealer, investment adviser or transfer agent, among others, with the right to reapply in five years. Mr. Boro agreed to pay a $60,000 civil penalty.

Sources: SEC Charges Rimar Capital Entities and Owner Itai Liptz for Defrauding Investors by Making False and Misleading Statements About Use of Artificial Intelligence, SEC Press Release 2024-167 (Oct. 10, 2024), available here; SEC v. Rimar Capital USA, Inc., Rimar Capital, LLC, Itai Royi Liptz, and Clifford Todd Boro, File No. 3-22236, available here.

OTHER NEWS OF INTEREST

Corporate Transparency Act Blocked by U.S. Court of Appeals

As of the date of this publication, companies subject to the Corporate Transparency Act (CTA) reporting requirements are not required to file beneficial ownership information reports with the Financial Crimes Enforcement Network (FinCEN) in light of a recent federal court order. According to FinCEN, reporting companies will not be subject to liability if they fail to file reports while the order remains in place. Nonetheless, companies can voluntarily file reports with FinCEN. For additional information, please consult FinCEN's website, available here.

In response to the recent injunction, the U.S. Department of Justice (DOJ), on behalf of FinCEN, has asked the U.S. Supreme Court to reinstate the CTA's reporting requirements, pending a ruling on the government's appeal. Alternatively, the DOJ has asked that the injunction's scope be narrowed to apply to the plaintiffs named in the case.

Sources: FinCEN Asks Supreme Court to Reinstate Law Requiring Ownership Information, The Wall Street Journal (Jan. 10, 2025), available here; Order, Texas Top Cop Shop, Inc. v. Garland, No. 24-40792 (5th Cir. Dec. 26, 2024), ECF No. 160-2.

COMPLIANCE DATES FOR FINAL RULES

Final Rules	Compliance Dates
Investment Company Names Rule Amendments	Larger fund groups (net assets of $1 billion or more): December 11, 2025. Smaller fund groups (net assets of less than $1 billion): June 11, 2026. On December 23, 2024, the Investment Company Institute requested that the SEC delay the implementation of the Rule 35d-1 amendments by two years. Source: ICI Letter, available here.
Corporate Transparency Act	In light of a recent federal court order, companies subject to the CTA reporting requirements are not required to file reports (and will not be subject to liability if they fail to do so while the court order remains in place) as of the date of this publication. Companies can voluntarily file CTA reports with FinCEN. For additional information, please consult FinCEN's website, available here.
Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information	Rule amendments were effective August 2, 2024, with tiered compliance dates: Larger entities (investment companies with net assets of $1 billion or more, registered advisers with assets under management of $1.5 billion or more, and broker-dealers and transfer agents that are not small entities under the Securities Exchange Act of 1934): December 21, 2025. Smaller entities (covered institutions who do not meet the "larger entity" thresholds): June 21, 2026.
Form N-PORT and Form N-CEN Reporting; Guidance on Open-End Fund Liquidity Risk Management Programs	The final rule is effective November 17, 2025 with tiered compliance dates: Larger entities (funds that, together with other investment companies in the same "group of related investment companies" with net assets of $1 billion or more as of the end of the most recent fiscal year): November 17, 2025. Smaller entities (funds that, together with other investment companies in the same "group of related investment companies" with net assets of less than $1 billion as of the end of the most recent fiscal year): May 18, 2026.

STATUS OF PROPOSED RULES

Proposed Rules for Funds and Advisers	Status
Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices	The SEC has indicated final rules will be issued in October 2025.
Cybersecurity Risk Management for Investment Advisers, Registered Investment Companies, and Business Development Companies	The SEC has indicated final rules will be issued in October 2025.
Outsourcing by Investment Advisers	The SEC has indicated final rules will be issued in April 2025.
Safeguarding Advisory Client Assets	The SEC has indicated a second notice of proposed rulemaking is scheduled for April 2025.
Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisers	The SEC had indicated a second notice of proposed rulemaking was scheduled for December 2024.
Customer Identification Program Requirements for Registered Investment Advisers and Exempt Reporting Advisers	The SEC has indicated final rules will be issued in March 2025.