



## Katten Financial Markets and Funds *Quick Take*

November 2024

### The CFTC Amends Part 40 to Streamline and Improve Product Submission Processes

*By Carl Kennedy, Nicholas Gervasi*

The Commodity Futures Trading Commission (CFTC) finalized amendments to its regulations governing how CFTC-registered exchanges, clearinghouses and other registered entities submit self-certifications for rule approvals, new product approvals, as well as the CFTC's formal review process for such submissions. The agency's goal in amending Part 40 of its regulations is to simplify and enhance the utility of these regulations and to better facilitate the self-certification of products. [Read about Part 40 amendments.](#)



### Private Fund Advisers Rules in Retrospect: Just Sound and Fury, Signifying Nothing?

*By Stanley Polit*

Published by *Chief Investment Officer*, the article discusses how the themes underlying the now-vacated Private Fund Advisers Rules (PFAR) may continue to impact how institutional investors request and negotiate for certain kinds of preferential terms in connection with their private fund investments. These controversial rules aimed to regulate the private funds industry through, among other measures, placing

limitations on certain private fund managers' ability to selectively grant preferential liquidity and transparency rights. [Read Katten's article.](#)

### SEC's 2025 Exam Priorities Include Cybersecurity and AI

*By Trisha Sircar*

On October 21, 2024, the Securities and Exchange Commission's (SEC) Division of Examinations (the Division) [released](#) its [2025 examination priorities](#). This year's examinations will prioritize perennial and emerging risk areas, such as fiduciary duty, standards of conduct, cybersecurity, and artificial intelligence (AI). [Read about cybersecurity and AI exam priorities.](#)



## **NYDFS Cybersecurity Regulation Compliance Requirements for November 1, 2024**

*By Trisha Sircar*

As we previously [reported](#), in 2023 the New York State Department of Financial Services (NYDFS) [amended](#) its cybersecurity regulation, 23 NYCRR 500 (or Part 500). NYDFS has published guidance on the implementation timeline for key compliance dates for the various categories of entities impacted. These include [Small Businesses](#), [Class A Companies](#) and [Covered Entities](#). [Read about](#)

[NYDFS requirements.](#)

## **EU/UK**

### **UK Securitisation Framework Comes Into Force**

*By Christopher Collins, Nathaniel Lalone*

On November 1, the UK's onshored version of the EU's Securitisation Regulation was replaced by the UK's new regulatory framework for securitizations. The framework consists of:

1. the Securitisation Regulations 2024 – available [here](#);
2. the securitization sourcebook of the FCA Handbook (SECN) – available [here](#);
3. the securitization part of the PRA Rulebook – available [here](#); and
4. relevant provisions of the Financial Services and Markets Act 2000 – available [here](#).



For further information on the UK's securitisation framework, please see our previous post on the subject, available [here](#).

### **The European Commission Reports on the First Year of the EU-US Data Privacy Framework**

*By Trisha Sircar*



In July 2023, the European Commission adopted an adequacy decision for the [EU-US Data Privacy Framework](#) (DPF), as we previously [reported](#). This permitted the free flow of personal data from the EU to DPF-participating companies in the United States. There are a number of items that US companies must perform to become DPF certified, as outlined in our article [here](#). On October 9, the European Commission issued a [review](#) of the [adequacy decision](#) of the EU-US DPF to the European Parliament and Council of Europe after its first year in force. [Read about the European Commission's report](#).

### ***FinOps Report Discusses DORA Implications With Nathaniel Lalone***

Financial Markets and Funds Partner Nathaniel Lalone spoke with *FinOps Report* on the implications of Europe's upcoming Digital Operational Resilience Act (DORA) for US-based fund managers. DORA, effective January 17, 2025, mandates rigorous information, communication, and technology risk management programs for financial entities and their third-party service providers. [Read about Nathaniel's comments](#).



### **Counting Down to DORA Compliance: Recent Developments**

*By Nathaniel Lalone, Ciara McBrien*

With less than three months remaining until the implementation date of the EU Digital Operational Resilience Act (DORA), this note highlights recent developments in the EU's efforts to facilitate firms' transition to DORA compliance by the 17 January 2025 deadline. In September 2024, the European Central Bank published a paper on the European framework for threat intelligence-based ethical red teaming (TIBER-EU framework). The Paper

aims to help national competent authorities (NCAs) and financial entities (FEs) equip themselves to fulfill the threat-led penetration testing (TLPT) requirements under DORA. [Read about DORA compliance](#).

### **Neil Robson Shares Thoughts on UK Government Reforms**

Financial Markets and Funds Partner Neil Robson spoke with *Law.com* and *Grip* regarding potential government reforms in the works by the Labour Party following Prime Minister Keir Starmer's remarks at the International Investment Summit to encourage foreign investors to come and invest in

Britain by "ripping up bureaucracy." [Read about Neil's comments.](#)



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## ICYMI

Here's a look back at recent client advisories from Katten.

- [“Foreign Listed Stock Index Futures and Options Approvals November 2024,”](#) November 8, 2024
- [“Financial Products and Services and Bot-to-Bot Communications: What the Future Holds for Customers and Providers,”](#) November 1, 2024
- [“SEC Division of Examinations Publishes 2025 Priorities,”](#) October 30, 2024
- [“The New UK Government, Industrial Strategy and the National Security and Investment Act,”](#) October 23, 2024
- [“CME's Financial and Regulatory Surveillance Department Issues Long-Awaited Guidance,”](#) October 23, 2024

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