

COVID-19 Regulatory Actions and Developments Investment Company

Securities and Exchange Commission (SEC)

Date: April 24, 2020

NEW! SEC Announces Cross-Divisional COVID-19 market Monitoring Group

The SEC announced the formation of a senior-level internal cross-divisional COVID-19 Market Monitoring Group to assist the Commission with respect to actions and analysis related to the effects of COVID-19 and to respond to requests for information and assistance from regulators and others.

[External Link](#)

Date: April 14, 2020

The Division of Investment Management Publishes COVID-19 response FAQs

The staff of the Division of Investment Management has published response to a number of frequently asked questions about funds and advisers affected by COVID-19. Topics covered include contacting the staff regarding COVID-19-related inquiries and Division's previously issued exemptive relief and guidance related to the crisis.

[External Link](#)

Date: April 14, 2020

SEC Staff Statement on the Importance of Delivering Timely, Material Information to Investment Company Investors

The Division of Investment Management issued a statement emphasizing the ongoing importance of timely updating and delivering required information to investment company investors, notwithstanding operational challenges posed by the COVID-19 crisis. Among other things, the statement reminds investment company issuers of their obligation to update prospectuses, including underlying certified financial statements, and to timely deliver the fund's prospectus or summary prospectus to new purchasers of investment company shares.

[External Link](#)

Date: April 8, 2020

SEC Staff Statement on Hearing Requests on Investment Company Act and Investment Advisers Act Applications

The Division of Investment Management announced that requests for hearings in connection with applications filed under the Investment Company Act or the Investment Advisers Act must, due to disruptions caused by the COVID-19 pandemic, be submitted via e-mail and not by paper

submission to the Commission's Secretary.

[External Link](#)

Date: April 8, 2020

SEC Order Gives Business Development Companies Flexibility to Provide Credit Support to Portfolio Companies

The SEC issued an exemptive order providing temporary flexibility for closed-end investment companies regulated as business development companies (BDCs), allowing them to make additional investments in small and medium-sized businesses, including those with operations affected by COVID-19. The relief allows BDCs to issue and sell senior securities and to participate in investments in these companies alongside certain private funds that are affiliated with the BDC. The relief provided by the order is available through December 31, 2020.

[External Link](#)

Date: March 26, 2020

Relief from Requirement to Notarize EDGAR Access Applications on Form ID

The SEC adopted a temporary rule that relieves those applying for EDGAR access from the requirement that they secure notarization of Form ID. Under the temporary rule, from March 26, 2020 through July 1, 2020, the staff will not require such notarization provided that the filer indicates on the face of the signed document that it could not obtain notarization due to COVID-19.

[External Link](#)

Date: March 26, 2020

Relief to Allow Open-End Investment Companies to Purchase Debt Securities from Affiliates

The SEC staff issued a no-action letter permitting any open-end investment company that is registered under the Investment Company Act that is not an exchange-traded fund and that does not hold itself out as a money market fund (each, a "Fund"), and certain affiliated persons of such a Fund, to purchase debt securities from a Fund, under specified circumstances and subject to various enumerated conditions.

[External Link](#)

Date: March 25, 2020

Conditional Exemptions from Reporting and Delivery Requirements for Funds and Investment Advisers

The SEC issued an order extending and modifying prior regulatory relief, granting certain investment funds and investment advisers additional time to hold in-person board meetings and to meet certain Form ADV and Form PF filing and delivery requirements. Entities must, among other things, notify the staff and/or investors, as applicable, if they intend to rely on the relief.

Investment Advisors: [External Link](#) Initial Order: [External Link](#)

Investment Companies: [External Link](#) Initial Order: [External Link](#)

Date: March 25, 2020

Order Extending Deadline for Various Filings including Schedule 13G and Schedule 13F

The SEC issued an order extending and modifying prior regulatory relief, providing certain individuals or entities, including those required to file under Sections 13(f) and 13(g), Rule 13f-1 and Regulations 13A and 13D-G (but not Schedule 13D or filings under Section 16 of the Exchange Act), with an additional 45 days to submit various filings that would otherwise have been due between March 1 and July 1, 2020. The extension is subject to certain conditions, and applies only if the filer is unable to meet a filing deadline as the result of circumstances related to COVID-19

[External Link](#) Initial Order: [External Link](#)

Date: March 24, 2020

Staff Statement regarding Rule 302(b) of Regulation S-T

SEC staff issued a statement indicating that it would not recommend enforcement action with respect to a failure to comply with the requirement that signatories to certain electronically filed documents must manually sign a signature page at or prior to the submission of the electronic filing.

[External Link](#)

Date: March 23, 2020

Exemptive Order Allowing Interfund Lending Relief Under the Investment Company Act

The SEC issued an exemptive order allowing registered open-end management investment companies, other than money market funds and insurance company separate accounts registered as unit investment trusts, to borrow money from affiliates, engage in interfund lending outside the parameters of current interfund lending orders, and deviate from their fundamental policies with respect to lending or borrowing, all subject to certain specified conditions. The relief will last until at least June 30, 2020, but may be extended by the SEC.

[External Link](#)

Date: March 23, 2020

OCIE Statement on Examinations of SEC Registrants

The SEC's Office of Compliance Inspections and Examinations announced that it has moved to conducting examinations of registrants off-site through correspondence, unless it is absolutely necessary to be on-site.

[External Link](#)

Date: March 19, 2020

No-Action Letter Allowing Money Market Funds to Purchase of Debt Securities from an Affiliate

The SEC staff issued a no-action letter permitting any registered open-end investment company that is regulated as a money market fund under rule 2a-7 under the Investment Company Act

(each, a “Fund”), and certain affiliated persons of such a Fund, to purchase securities from a Fund, under specified circumstances and subject to various enumerated conditions.

[External Link](#)

Date: March 13, 2020

SEC Staff Guidance to Promote Continued Shareholder Engagement, Including at Virtual Annual Meetings

SEC staff published guidance to assist investment companies (among others) with upcoming shareholder meetings. The guidance provides investment companies with the flexibility, subject to certain conditions, to change the date and location of the meetings and to conduct “virtual” shareholder meetings that avoid the need for in-person shareholder attendance.

[External Link](#)

Date: March 4, 2020

No-Action Relief with respect to Fund Board Meetings and Unforeseen/Emergency Circumstances related to COVID-19

SEC staff extended no-action relief previously granted to fund boards that do not adhere to in-person voting requirements in the event of unforeseen or emergency circumstances affecting some or all directors. The extension of the no-action relief covers all board approvals and renewals of contracts, plans or arrangements under Section 15(c) or rules 12b-1 or 15a4(b)(2), and also the selection of a new independent public accountant for the fund.

[External Link](#)

National Futures Association (NFA)

Prometric Testing Centers

NFA has announced that the administrator of its proficiency examinations, Prometric, has temporarily closed its testing centers for a minimum of 30 days, starting March 18, 2020.

[External Link](#)

Other Regulatory

Date: April 3, 2020

FinCEN Issues Special Notice

The Financial Crimes Enforcement Network has issued a notice to assist financial institutions in complying with anti-money laundering and related obligations during the COVID-19 pandemic. The notice also includes a direct contact mechanism for urgent COVID-19-related issues.

[External Link](#)

Date: April 3, 2020

Basel Committee and IOSCO announce deferral of final implementation phases of the margin requirements for non-centrally cleared derivatives

On April 3, the Basel Committee on Banking Supervision and the International Organization of Securities Commissions announced a delay in the global implementation of mandatory initial margin for uncleared swaps. The initial margin compliance dates for Phase 5 and Phase 6 will

now be, respectively, September 1, 2021, and September 1, 2022. The CFTC and US prudential regulators will have to amend their respective margin rules to make this change official for US swap dealers.

[External Link](#)
