

COVID-19 Regulatory Actions and Developments

Investment Adviser

Securities and Exchange Commission (SEC)

Date: May 8, 2020

The Division of Investment Management Updates its COVID-19 FAQs

The staff of the Division of Investment Management updated its COVID-19-related FAQs to address how institutional investment managers should contact the staff regarding Form 13F questions or concerns related to impacts of COVID-19 on operations or compliance (see question I.2).

[External Link](#)

Date: April 24, 2020

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 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 7, 2020

OCIE Publishes Regulation BI and Form CRS Risk Alerts

The SEC's Office of Compliance Inspection and Examinations issued two risk alerts regarding the contemplated scope and content of OCIE's initial examinations after the June 30, 2020 compliance date for Regulation Best Interest and Form CRS.

The Reg BI risk alert is [available here](#)

The Form CRS risk alert is [available here](#)

Date: April 2, 2020

SEC Staff Guidance on Qualified Custodian Service Disruptions

The staff of the Division of Investment Management issued guidance concerning investment advisers' obligations under rule 206(4)-2 (the custody rule) when faced with qualified custodian service disruptions due to COVID-19.

[External Link](#) (see response questions VII.4)

Date: April 2, 2020

SEC Chairman Clayton Announces No Extension of Reg BI or Form CRS Compliance

SEC Chairman Jay Clayton issued a public statement addressing the SEC's approach to allocation of resources, oversight and rulemaking in the context of the COVID-19 crisis. In his statement, Chairman Clayton also announced that the June 30, 2020 compliance date for Reg BI, Form CRS, and other requirements will not be extended.

[External Link](#)

Date: March 30, 2020

SEC Staff Issues Guidance to Investment Advisers on Timely Completion of Surprise Exams

SEC staff published a new FAQ for investment advisers stating that it would not recommend enforcement for a violation of Rule 206(4)-2 against an adviser that is subject to the surprise examination requirement, and that reasonably believed that its independent public accountant would complete its examination and submit its certificate of accounting within the 120-day limit, but failed to do so due to logistical interruptions related to COVID-19. Certain conditions apply.

[External Link](#) (see response to Question IV.7)

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

Investment Companies: [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

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 23, 2020

Co-Directors of Enforcement Statement Regarding Insider Trading

The Co-Directors of Enforcement issued a statement addressing market participants' obligations relating to material non-public information in the context of the COVID-19 crisis, noting that material non-public information may be more prevalent and arise in less common circumstances.

[External Link](#)

Date: March 16, 2020

SEC Staff Provides Guidance on Conducting an Investment Advisory Business from a Temporary Location

The SEC staff updated its Form ADV FAQs, advising firms that they are not required to update either Item 1.F or Part A of Section 1.F of Schedule D to list temporary addresses of employees working remotely as the result of COVID-19.

[External Link](#)

Date: March 16, 2020

SEC Staff Guidance Regarding the Rule 206(4)-2 Custody Rule

The staff of the SEC's Division of Investment Management updated its Custody Rule FAQs, advising firms that if an adviser's personnel are unable to access deliveries at a location due to the activation of the firm's business continuity plan, the staff would not consider the adviser to have received client assets sent to that location until firm personnel are able to access such deliveries.

[External Link](#) (Question II.1)

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

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](#)
