

COVID-19 Regulatory Actions and Developments Securities and Exchange Commission (SEC)

Date: May 27, 2020

SEC Extends Conditional Exemptive Relief for Registered Transfer Agents and Certain Other Registrants

The SEC issued an order extending its March 20, 2020 order that (1) exempted transfer agents from various requirements related recordkeeping, reporting, and processing time; and (2) exempted various securities industry participants from the requirement to fingerprint personnel. The exemption is subject to certain conditions including the provision of notice to the Commission. The order extends the exemptive relief, which was set to expire on May 30th, to June 30, 2020.

[External Link](#)

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 22, 2020

Division of Trading and Markets FAQs regarding Broker-Dealer Financial Responsibility Rules

SEC staff has published responses to certain questions related to provision of the broker-dealer financial responsibility rules during the COVID-19 crisis. Questions addressed in the FAQs include those asking if firms have additional time to transmit customer checks under SEC Rule 15c3-3 and whether firms have additional time to conduct quarterly securities counts of physical

certificates as required by SEC Rule 17a-13.

[External Link](#)

Date: April 20, 2020

SEC Issues Conditional Exemption for CAT Reporting Compliance

The SEC issued an exemptive order establishing a phased Consolidated Audit Trail (CAT) reporting timeline that also allows a delayed start – June 20, 2020 for certain industry members – to CAT reporting in light of the COVID-19 crisis. The SEC simultaneously issued a second exemptive order (available [here](#)) permitting introducing brokers that meet certain requirements to follow the small broker-dealer reporting timeline.

[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 10, 2020

Temporary Relief Allows Form 144 Filings via E-mail

The Division of Corporation Finance announced that it will not recommend enforcement if Forms 144 filed in paper are submitted via e-mail in lieu of mailing or delivering the paper form to the SEC if the filer attaches a complete Form 144 as a PDF attachment to the email. Additionally, the staff will not recommend enforcement if the filer is unable to provide a manual signature on the Form 144 submitted by e-mail if a typed form of signature is provided, subject to certain conditions. The relief covers those who submit Forms 144 for the period from and including April 10, 2020 to June 30, 2020.

[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: 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 7, 2020

Staff Guidance Regarding Delays in Printing and Mailing of Proxy Materials

The SEC staff issued guidance related to issuers encountering COVID-19-related delays in the printing and physical mailing of the "full set" of their proxy materials for forthcoming meetings. Subject to certain conditions, the staff indicated that it would not object to an issuer using the "notice-only" delivery option that, even if not entirely compliant with the Rule 14a-16 requirements, provides proxy materials sufficient to allow shareholders to vote in an informed manner. Affected intermediaries, such as broker-dealers, responsible for providing notice to shareholders should use their best efforts to send paper copies of proxy materials and annual reports to requesting shareholders, even if delayed.

[External Link](#)

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: April 2, 2020

SEC Staff Statement Regarding Certain Paper Submissions

The staff of the Division of Trading and Markets issued a statement indicating that it will not recommend enforcement action with respect to failures to comply with paper format submission requirements or manual signature requirements, subject to certain conditions. The relief covers submissions for the period from March 16 through June 30, 2020.

[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 26, 2020

Temporary Extension for Updating Form MA

The SEC issued a temporary conditional exemptive order allowing municipal advisors affected by COVID-19 an additional 45 days to file annual updates to Form MA that otherwise would have been due between March 27, 2020 and June 30, 2020, subject to certain conditions. The additional time is available only to municipal advisors that are unable to meet the deadline 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

Exemptive Relief under Rule 606 of Regulation NMS

The SEC granted temporary relief giving broker-dealers until May 29, 2020 to provide the Rule 606(a) public report covering the first quarter of 2020, until June 1, 2020 to collect monthly customer-specific data under Rule 606(b)(3), and until July 29, 2020 to provide a customer-specific report of June 2020 outsourced routing data within seven business days for customer requests for such customer-specific reports that are made on or before July 17, 2020.

[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 25, 2020

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

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[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 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 20, 2020

Order Exempting Transfer Agents from Various Obligations and Exempting Securities Industry Participants from Fingerprinting Requirement

The SEC issued an order exempting transfer agents from various requirements related recordkeeping, reporting, and processing time. The order also exempts various securities industry participants from the requirement to fingerprint personnel. The exemption period is from March 16, 2020 through May 30, 2020.

[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 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 16, 2020

No-Action Relief Granted from Consolidated Audit Trail Deadlines

SEC staff issued no-action relief to the Financial Industry Regulatory Authority and the national securities exchanges from enforcing their Consolidated Audit Trail (CAT) compliance rules with regard to CAT implementation deadlines against members of FINRA and of such exchanges. The no-action relief applies through May 20, 2020, but could be extended.

[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](#)