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Regulatory Update

US, April 2025

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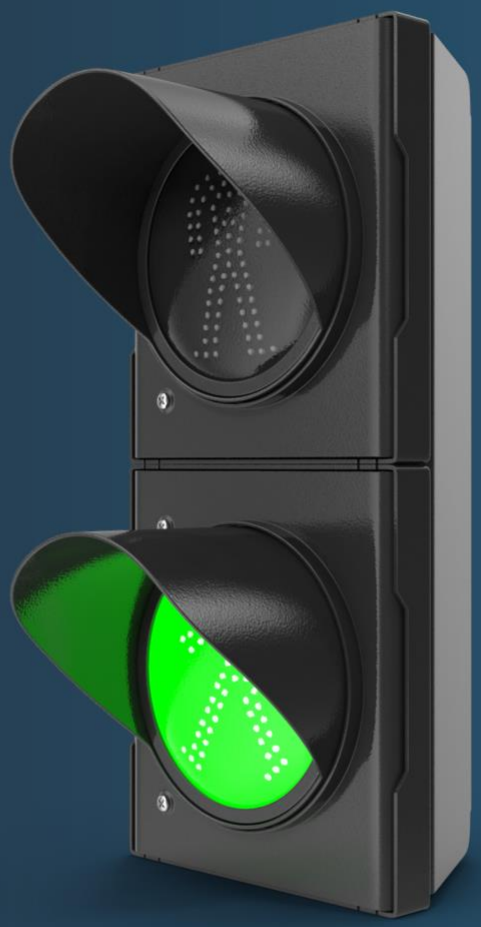

Regulatory Update April 2025 – US Region

Latest Developments

April 11, 2025 – Amendments to Form PF

The Commodity Futures Trading Commission (CFTC) and Securities and Exchange Commission (SEC) adopted amendments to Form PF to correct certain errors and incorrect cross references. The amendments are noted as follows:

- Instruction 6 was amended to correct an erroneous omission of the words “do not” before the instruction to “report information for any private fund advised by any of your related persons unless you have identified that related person in Question 1(b) as a related person for which you are filing Form PF.”
- Instruction 47 was amended to remove stray column headings for reporting market factors labeled “Not relevant” and “Relevant/not formally tested” because these categories were no longer applicable.
- The definitions of the terms “collateral posted entries” and “collateral received entries” included certain errors and incorrect cross references that were corrected.
- Certain modifications were inadvertently excluded from the version of Form PF that was attached as Appendix A to the 2024 Adopting Release published in the Federal Register on March 12, 2024. However, the Money Market Fund Reforms Amendments have been effective since June 11, 2024, and advisers have been reporting relevant information in response to these modified questions through the Private Fund Reporting Depository filing system. These omitted modifications were added back to the version of Form PF published in the Federal Register.
- Other Errors and Incorrect Cross References were noted in the full SEC letter.

Read the adopted amendments here.

April 16, 2025 – Extension to Form N-PORT

The Securities and Exchange Commission (SEC) announced a two-year extension for rule amendments adopted in August 2024 to Form N-PORT.

- Larger fund groups must now comply by November 17, 2027 (extended from November 17, 2025).
- Smaller funds groups have until May 18, 2028 (extended from May 18, 2026).

The amendments adopted in August 2024 require many types of registered funds to more frequently report portfolio-related information to the SEC and the public on Form N-PORT.

Read the press release here.

April 21, 2025 – NFA Proposed Guidance Notice 9083 (UPDATE – on May 1, 2025, the NFA Withdrew Interpretive Notice 9083)

The National Futures Association (NFA) submitted to the US Commodity Futures Trading Commission (CFTC) proposed interpretive notice 9083, entitled *Compliance Rules* 2-9(a) and (d), 2-36(e) and 2-51(d): *Member*

Supervisory Obligations for Associated Persons (the "Notice"). The Notice provides guidance to NFA Members on supervisory obligations with respect to Associated Persons ("AP"), including the minimum standards for AP supervision and the essential components that must be included in a Member's supervisory program to satisfy the NFA's existing requirements.

- Read the interpretive notice here.

April 29, 2025 – New Co-Investment Relief for BDCs and CEFs

The Securities and Exchange Commission (SEC) published a notice granting an exemptive order to FS Credit Opportunities Corp., permitting certain joint transactions otherwise restricted under Sections 17(d) and 57(a)(4) of the Investment Company Act of 1940 and Rule 17d-1 thereunder. The order allows certain registered closed-end management investment companies ("CEFs") and business development companies ("BDCs") (collectively, the "Regulated Funds") to co-invest in portfolio companies alongside one another and with certain affiliated investment entities.

Key elements of the relief include:

- Authorization for Regulated Funds to engage in co-investment transactions that would otherwise be prohibited
- Permission for co-investments to occur alongside affiliated investment entities, subject to specified conditions
- A streamlined compliance framework that:
  - Reduces the frequency of board approvals
  - Minimizes reporting obligations
  - Expands the scope of eligible co-investment entities
  - Simplifies investment allocation determinations
  - Allows BDCs to co-invest in issuers where only an affiliate holds a pre-existing interest.

The relief is conditioned on the adoption of policies and procedures reasonably designed to ensure the fairness of co-investment transactions. The order does not apply to mutual funds, exchange-traded funds (ETFs), or other excluded categories of co-investment transactions.

The updated co-investment relief establishes a less burdensome regulatory framework for fund boards by:

- Reducing the frequency of required board approvals
- Minimizing ongoing reporting requirements
- Increasing the scope of eligible co-investment entities
- Simplifying the process for making investment allocation determinations in co-investment transactions
- Permitting BDCs to co-invest in issuers in which an affiliate, but not the BDC itself, holds a pre-existing investment, subject to specified conditions.
- The new co-investment relief is contingent upon the existence and implementation of robust policies and procedures to ensure that co-investments are conducted fairly and in the best interests of the Regulated Funds.

Notably, the scope of the relief excludes mutual funds, exchange-traded funds, or certain other categories of co-investment transactions.

Read the order here.

Rulemaking Watch

FinCEN AML Rule for Investment Advisers – Effective January 1, 2026

FinCEN finalized rules requiring registered investment advisers and exempt reporting advisers to adopt Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) programs and file Suspicious Activity Reports (SARs).

Key requirements include:

- designation of a compliance officer
- ongoing employee training
- independent testing
- customer due diligence policies.

These rules bring investment advisers into alignment with financial institutions already subject to the Bank Secrecy Act.

Find out more here.

Amendments to Regulation S-P – Staggered Compliance Deadlines

In March 2024, the SEC adopted amendments to Regulation S-P, significantly strengthening the privacy and data security obligations imposed on registered investment advisers, broker-dealers, and investment companies. The amended rule imposes new requirements for safeguarding customer information, responding to data breaches, and managing service provider risks.

The amendments introduce the following key changes:

- **Incident Response and Notification Requirement**:
  Advisers must adopt written policies and procedures to detect, respond to, and recover from data breaches and other unauthorized access to customer information. In the event of a data breach that is "reasonably likely to result in substantial harm or inconvenience," firms must notify affected individuals as soon as practicable, but no later than 30 days after becoming aware of the incident.
- **Expanded Safeguards Rule**:
  The revised rule broadens the definition of "customer information" to include not only nonpublic personal information of clients but also any data obtained from other financial institutions. Advisers must implement robust safeguards to protect this broader set of information.
- **Service Provider Oversight**:
  Firms must take reasonable steps to ensure that service providers (e.g., third-party IT vendors or data processors) are maintaining appropriate security measures to protect client data. This includes

conducting due diligence, incorporating data protection obligations into contracts, and ongoing monitoring.

- **Recordkeeping**:
  Advisers must retain records of compliance with Regulation S-P, including incident response documentation, for a minimum of five years, consistent with existing recordkeeping requirements under the Advisers Act.

Staggered Compliance Dates

To allow firms time to implement the necessary operational changes, the SEC established the following tiered compliance timeline:

- **Large advisers** (AUM ≥ $1.5B): must comply by December 3, 2025
- **Small advisers** (AUM < $1.5B): must comply by June 3, 2026

Firms are encouraged to review their incident response plans and vendor oversight processes in preparation.

Read the full SEC press release here.

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About Waystone

Waystone is a leading global provider of institutional governance, administration, risk, and compliance services to the asset management and financial services industry. Our global Compliance Solutions team helps clients navigate the regulatory landscape with confidence, aligning investment strategies and operational processes with compliance requirements. With over 100 compliance specialists based across North America, Asia, the Middle East and Europe, we offer a comprehensive range of solutions, from company registration to compliance programs and ongoing support.

Waystone brings over 20 years of experience working with clients regulated by US regulatory bodies such as the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC). Our team is well-equipped to provide bespoke, risk-focused, and cost-effective solutions tailored to meet US regulatory requirements. With extensive experience in the US financial landscape, we deliver the expertise you need while enhancing your corporate governance standards.

If you'd like to discuss the themes raised in this guide with one of our US Compliance Solutions team members and learn how we can assist you, please contact us below.

Contact us →

This Regulatory Update provides information about the consultative documents and publications issued by various regulators which are still current, proposed changes to the Rules and Guidance set out in Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to regulated firms. This Regulatory Update is intended to provide general summarized guidance only, and no action should be taken in reliance on it without specific reference to the regulators' document referred to therein.