

# Regulatory Update

US, July 2025

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July 2025 saw significant regulatory activity across multiple agencies, with a common theme of reducing unnecessary burdens while balancing investor protection and market stability.

This month's regulatory developments include:

## Department of Labor (DOL)

### Removal of Interpretive Bulletins under ERISA

On July 1, 2025, the DOL finalized the removal of certain interpretive bulletins from the Code of Federal Regulations under the Employee Retirement Income Security Act of 1974 (ERISA). Originally issued shortly after ERISA's enactment, these bulletins have since been superseded by more recent guidance and organizational changes (e.g., Reorganization Plan No. 4 of 1978). Their removal, effective September 2, 2025, is intended to eliminate confusion and reduce regulatory burden by retiring outdated guidance. This action was taken pursuant to Executive Order 14192.

Read the final rule [here](#).

### Elimination of Fiduciary Safe Harbor for Annuity Provider Selection

Also on July 1, 2025, the DOL removed 29 CFR 2550.404a-4, a 2008 regulation that provided a fiduciary safe harbor for selecting annuity providers under ERISA-covered individual account retirement plans. This rule was rendered redundant by a 2019 statutory amendment to ERISA, which created a broader and more streamlined fiduciary safe harbor. The removal, effective September 2, 2025, aims to reduce duplicative regulation and provide clarity for plan fiduciaries.

Read the final rule [here](#).

## Securities and Exchange Commission (SEC)

### Extension of Compliance Date for Daily Reserve Computations

On July 1, 2025, the SEC extended the compliance date for Rule 15c3-3(e)(3)(i)(B)(1) (Customer Protection Rule) from December 31, 2025 to June 30, 2026. This rule requires carrying broker-dealers with average total credits of USD\$500 million or more to perform daily reserve computations, replacing the weekly standard. The extension was granted in response to industry feedback, particularly from SIFMA, citing significant operational and staffing challenges.

The SEC emphasized that the additional time will allow firms to build and test automated systems for compliance. Notably, broker-dealers below the USD\$500 million threshold may elect to comply voluntarily, enabling them to apply a 2% debit reduction (versus the standard 3%) if they notify their designated examining authority. The compliance date for related amendments to Form X-17A-5 (FOCUS Report) remains March 1, 2026.

Read the final rule [here](#).

### Approval of In-Kind Creations and Redemptions for Crypto ETPs

On July 29, 2025, the SEC approved a series of orders permitting in-kind creations and redemptions for crypto asset exchange-traded product (ETP) shares. Previously, spot bitcoin and ether ETPs were limited to cash-

only transactions. The change aligns these products with other commodity-based ETPs and is expected to improve market efficiency and lower costs for participants.

Read the press release [here](#).

## Department of the Treasury – FinCEN

### Postponement of AML/CFT Rule for Investment Advisers

On July 21, 2025, FinCEN announced the postponement of its final rule requiring registered investment advisers (RIAs) and exempt reporting advisers (ERAs) to implement Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) programs and file Suspicious Activity Reports (SARs). Originally scheduled for January 1, 2026, the rule (known as the IA AML Rule) will now take effect on January 1, 2028.

The delay is intended to give FinCEN additional time to reassess the rule's scope and ensure alignment with the diverse risk profiles of investment advisers. During the postponement period, FinCEN plans to revisit related customer identification program (CIP) requirements in consultation with the SEC.

Read the press release [here](#).

## Investment Adviser Association (IAA)

### Request to Extend Compliance Deadline for Reg S-P Amendments

On July 31, 2025, the IAA urged the SEC to extend compliance deadlines for the Regulation S-P amendments, which impose new data breach notification requirements. As adopted, the rule takes effect December 3, 2025, for advisers with over USD\$1.5 billion in assets under management (AUM), and June 3, 2026, for smaller firms.

In its July 30, 2025 letter, the IAA reiterated its request for a 12-month extension and proposed refinements to improve clarity and operational feasibility, including:

- **Clarification of definitions** of “customer information” and “sensitive customer information,” excluding encrypted data
- **Allowance for forensic investigations** prior to triggering notifications
- **Service provider oversight flexibility**, particularly for affiliates and non-contractual third parties
- **Risk-based vendor management** to address uncooperative vendors
- **Limitation of notification scope** to direct relationships
- **Expansion of the law enforcement exception** for ongoing investigations or national security cases.

The IAA emphasized its support for investor protection goals but underscored the need for workable compliance frameworks.

Read the press release [here](#).

Read the letter [here](#).

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