



# Investment Services Regulatory Update

June 2025  
Monthly Version

<b>NEW AND PROPOSED RULES . . . . .</b>	<b>1</b>
SEC Withdraws Numerous Proposed Rules . . . . .	1
Compliance Date for Amendments to Form PF Extended Again . . . . .	2
 <b>GUIDANCE AND OTHER DEVELOPMENTS . . . . .</b>	 <b>3</b>
SEC Names New Division Directors . . . . .	3
Highlights from 2025 ALI-CLE Accountants' Liability Conference . . . . .	3
Highlights from SEC Speaks 2025 . . . . .	3

# NEW AND PROPOSED RULES

## SEC Withdraws Numerous Proposed Rules

On June 12, 2025, the SEC announced the withdrawal of 14 pending rule proposals that were issued as far back as February 2022, including proposed rulemakings with respect to cybersecurity requirements for funds and investment advisers, ESG disclosures by funds and advisers, outsourcing by advisers, safeguarding advisory client assets, and conflicts of interest in the use of artificial intelligence and similar technologies by advisers and broker-dealers, among others. The SEC stated its current intention not to issue final rules with respect to the withdrawn proposals and advised that if the SEC decides to pursue future regulatory action in any of these areas, it will issue a new rule proposal.

The withdrawn rule proposals include:

### **Cybersecurity rules for funds and investment advisers.**

If adopted, the proposed rules under the Investment Company Act and Investment Advisers Act would have required funds and investment advisers to adopt and implement written cybersecurity policies and procedures, advisers to report significant cybersecurity incidents to the SEC and certain disclosures to be made by funds and advisers regarding cybersecurity risks and incidents. (Proposed: February 9, 2022, related Vedder Price article available [here](#))

### **ESG disclosures by funds and investment advisers.**

If adopted, the proposed rule amendments under the Investment Company Act and Advisers Act would have required additional disclosure regarding ESG investment practices in fund registration statements, fund shareholder reports and adviser Form ADVs. (Proposed: May 25, 2022, related Vedder Price article available [here](#))

**Exclusion of shareholder proposals in proxy statements.** If adopted, the proposed amendments to Rule

14a-8 under the Securities Exchange Act of 1934 would have allowed a company to exclude shareholder proposals based on revised exclusion criteria. (Proposed: July 13, 2022, related Vedder Price article available [here](#))

**Outsourcing by investment advisers.** If adopted, the proposed rule under the Advisers Act would have required investment advisers to conduct due diligence prior to hiring a service provider to perform certain “covered functions” and to periodically monitor the service provider’s performance and reassess its retention. (Proposed: October 26, 2022, related Vedder Price article available [here](#))

### **Regulation Best Execution and order competition rule.**

If adopted, the proposed rules under the Exchange Act would have changed the existing regulatory framework concerning broker-dealers’ duty of best execution, including by requiring an annual review of best execution policies, with reporting to boards or other governing bodies, and requiring public reporting on execution quality. In addition, a proposed rule under Regulation NMS would have required broker-dealers that receive marketable orders from retail investors below a certain size to first route those orders to newly designed securities auctions, rather than execute them internally or with a market maker. (Proposed: December 14, 2022, related Vedder Price article available [here](#))

### **Reporting of large security-based swap positions.**

If adopted, the proposed rules under the Exchange Act would have required that large positions in security-based swaps and related securities be reported to the SEC and publicly disseminated. (Proposed: December 15, 2021, related Vedder Price article available [here](#))

**Safeguarding advisory client assets.** If adopted, the proposed new rule and amendments to the current custody rule under the Advisers Act would have expanded the custody rule to cover a broader set of client assets and advisory activities, and also would have enhanced the custodial protections that client assets receive under the custody rule. (Proposed: February 15, 2023)

### **Conflicts of interest in the use of artificial intelligence and similar technologies.**

If adopted, the proposed rules under the Exchange Act and the Advisers Act would have imposed new requirements on broker-dealers and investment advisers intended to address conflicts of interest in their use of predictive data analytics and similar technologies, such as artificial intelligence, in investor

interactions. The proposal sought to prevent firms from using these technologies to influence investor behavior to the investor's detriment and the benefit of the firm. (Proposed: July 26, 2023, related Vedder Price article available [here](#))

The SEC's notice of withdrawal of the proposed rules is available [here](#). The SEC's rulemaking activity page is available [here](#).

## Compliance Date for Amendments to Form PF Extended Again

On June 11, 2025, the SEC and the CFTC voted to extend the compliance date for amendments to Form PF for a second time, resulting in a new compliance date of October 1, 2025. Form PF is the confidential reporting form filed by certain SEC-registered private fund investment advisers, including those that also are registered with the CFTC as commodity pool operators or commodity trading advisers, to report confidential information about the private funds that they advise. The amendments to Form PF were adopted on [February 8, 2024](#) with an original compliance date set for March 12, 2025. On January 29, 2025, the SEC and the CFTC extended the compliance date of the Form PF amendments to June 12, 2025 in order to address certain challenges associated with the timing of reporting cycles for Form PF. In extending the compliance date to October 1, 2025, the SEC and the CFTC cited the persistence of the conditions that led to the first extension of the compliance date and stated that extending the compliance date to October 1, 2025 will provide more time for filers to develop and test their Form PF reporting systems, which will help improve the quality of data reported.

The joint final rule extending the compliance date is available [here](#), and the related SEC press release is available [here](#).

# GUIDANCE AND OTHER DEVELOPMENTS

## SEC Names New Division Directors

In June 2025, the SEC announced the appointment of two new Division Directors, as well as other SEC leadership changes.

**Division of Investment Management.** On June 13, 2025, the SEC announced that Brian T. Daly will become the new Director of the SEC's Division of Investment Management, effective July 8, 2025. The SEC highlighted Mr. Daly's "decades of experience serving in prominent roles at global law firms and investment management firms while advising fund managers and sponsors on regulatory compliance." Mr. Daly's appointment follows the departure of Natasha Vij Greiner, effective July 4, 2025, who served as the Director of the Division of Investment Management since March 2024 and served in numerous other roles at the SEC over the course of 23 years. The SEC press release announcing Mr. Daly's appointment is available [here](#).

**Division of Trading and Markets.** On June 13, 2025, the SEC announced that Jamie Selway will become the new Director of the SEC's Division of Trading and Markets, effective June 17, 2025. The SEC noted Mr. Selway's "decades of industry experience in market structure and across multiple asset classes." The SEC press release announcing Mr. Selway's appointment is available [here](#).

In addition to the appointments discussed above, Kurt Hohl has been named to serve as the SEC's [Chief Accountant](#), effective July 7, 2025; Erik Hotmire has been named to serve as the SEC's [Chief External Affairs Officer and Director of the Office of Public Affairs](#), effective June 16, 2025; and Kevin Muhlendorf has been named to serve as the SEC's [Inspector General](#), effective July 28, 2025.

## Highlights from 2025 ALI-CLE Accountants' Liability Conference

The annual ALI-CLE Accountants' Liability Conference was held in Washington, D.C. on June 2 and 3, 2025, and was cohosted by Junaid A. Zubairi, Chair of Vedder Price's Government Investigations & White Collar Defense group, and Veronica Callahan of Arnold & Porter LLP. The conference featured a wide variety of speakers, including regulators from the SEC and the Public Company Accounting Oversight Board (PCAOB), in-house counsel, outside counsel, and consultants.

On June 9, 2025, attorneys in Vedder Price's Government Investigations & White Collar Defense group published an article discussing highlights from the conference, available [here](#).

## Highlights from SEC Speaks 2025

The SEC held its annual SEC Speaks conference on May 19 and 20, 2025 in Washington, D.C. The conference featured remarks from Chair Paul S. Atkins, Commissioner Mark T. Uyeda, Commissioner Hester M. Peirce, Commissioner Caroline A. Crenshaw, and Acting Director of the Division of Enforcement Sam Waldon, as well as panel discussions addressing current SEC initiatives, priorities, and enforcement trends for the upcoming year. The conference speakers and panels also provided an update on litigation, judicial, and legislative developments.

Each session focused on the SEC's fidelity to its three-part mission: (i) protecting investors, (ii) maintaining fair, orderly, and efficient markets, and (iii) facilitating capital formation. Highlights from this year's conference included significant discussion of the recent changes at the SEC; the SEC's focus on technology and cybersecurity; and other enforcement and examination trends from the past year.

On May 23, 2025, attorneys in Vedder Price's Government Investigations & White Collar Defense group published an article discussing highlights from the conference, available [here](#).

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With significant experience in all matters related to design, organization and distribution of investment products, Vedder Price can assist with all aspects of investment company and investment adviser securities regulations, compliance issues, derivatives and financial product transactions, and ERISA and tax inquiries. Our highly experienced team has extensive knowledge in structural, operational and regulatory areas, coupled with a dedication to quality, responsive and efficient service.



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