

**Notable Developments:**

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- **President Signs Executive Order Pausing Enforcement of Foreign Corrupt Practices Act**
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**In Case You Missed It:**

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- **SEC Approves Registrations of Eight SBSEFs**
- **FINRA Fines IBN and Principal for Regulation BI Failures**
- **Apex Clearing Corporation Settles FINRA Charges Regarding Suitability of Securities Lending Program**
- **Banyan Securities, LLC Settles FINRA Charges for Failure to Conduct Independent AML Testing**

**Notable Developments:**

**President Signs Executive Order Mandating Deregulation**

On January 31, 2025, President Trump [signed](#) an [Executive Order](#) ("EO") requiring federal agencies to repeal "at least 10 existing rules, regulations, or guidance documents" for every new rule or regulation created.

**President Signs Executive Order Pausing Enforcement of Foreign Corrupt Practices Act**

On February 10, 2025, the White House [announced](#) an [executive order](#) directing the Attorney General to pause enforcement of the Foreign Corrupt Practices Act of 1977 (FCPA) until the Attorney General issues revised FCPA enforcement guidelines. Past and existing FCPA

enforcement actions will be reviewed and future FCPA investigations and enforcement actions will be governed by the new guidelines and must be approved by the Attorney General.

### **SEC Outlines New Crypto Task Force Agenda**

On February 4, 2025, SEC Commissioner and head of the newly formed Crypto Task Force Hester M. Peirce [outlined](#) the Task Force's agenda in a statement titled "The Journey Begins".

Commissioner Pierce stated that the SEC will maintain antifraud protections so that crypto will not be a safe haven for fraudsters, and that the intention is to set up a regulatory framework that both achieves regulatory objectives and preserves the industry's ability to offer products and services.

The agenda for the Task Force, including:

- evaluating different types of crypto assets to determine their classification under securities laws;
- identifying areas outside the SEC's authority;
- exploring temporary relief measures for token issuers that provide specified disclosures;
- looking into potential modifications to Regulation A and crowdfunding pathways to create registration options for token offerings;
- assessing revisions to the special-purpose broker-dealer [no-action statement](#), including expanding its scope to allow custody of both securities and non-securities crypto assets;
- developing a framework to enable investment advisers to safely and legally custody crypto assets, either independently or via third parties;
- providing clarity about whether (and if so, how) crypto-lending and staking programs are covered by the securities laws;
- establishing clear guidelines for approving new crypto ETPs and modifying existing ones, including allowing staking and in-kind creations and redemptions;
- exploring how blockchain and tokenization can be integrated into existing market infrastructure to modernize securities transactions; and

- considering limited-scale international collaboration to facilitate cross-border experimentation.

Commissioner Peirce encouraged individuals to (i) provide written input by sending an email with the subject line "Crypto Task Force Input" to [crypto@sec.gov](mailto:crypto@sec.gov) and (ii) submit [requests](#) for in-person or virtual meetings with members of the public.

### **Stablecoin Regulation Bill Introduced**

On February 4, 2025, a bipartisan group of lawmakers introduced a [bill](#) to regulate payment stablecoins and establish oversight for issuers.

The bill, titled the "Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025," or "GENIUS Act," would, among other things:

- establish a framework for issuing and redeeming payment stablecoins.
- require stablecoin issuers to maintain reserves on a 1:1 basis, composed of assets such as US currency, Treasury bills and demand deposits.
- prohibit non-approved entities from issuing stablecoins.
- assign regulatory oversight to federal and state financial regulators, with the Federal Reserve, the OCC and the FDIC serving as primary regulators.
- require stablecoin issuers to undergo audits by registered public accounting firms and publicly disclose reserve holdings.
- implement consumer protections, including restrictions on "rehypothecation" (or reuse) of reserve assets and clear redemption policies.
- set standards for interoperability between different stablecoin networks.
- establish penalties for unauthorized issuance, with fines of up to \$100,000 per day for violations.

In addition, the Act would direct the Department of the Treasury, in coordination with financial regulators, to study digital assets whose value is tied solely to another asset issued by the same entity.

### **SEC Acting Chair Directs Staff to Delay Climate Disclosure Case**

On February 11, 2025, Acting SEC Chair Mark Uyeda [directed](#) SEC staff to notify the court assigned to hear a legal challenge to the [climate-related disclosure rule](#) to delay scheduling the case for arguments. The climate-related disclosure rule would require domestic and foreign registrants to provide climate-related disclosures in their registration statements and

annual reports. Act Chair Uyeda called the rule "deeply flawed" and warned of "significant harm" and also stated that the SEC lacked the statutory authority or expertise to address climate issues.

SEC Commissioner Caroline A. Crenshaw issued a [statement](#) criticizing the decision, arguing that the SEC has "clear authority" under the Securities Act and the Exchange Act to mandate disclosures that serve the public interest, a power that has been "affirmed and reaffirmed across dozens of disclosure rulemakings over multiple decades."

### **SEC Grants Exemptive Relief from Reporting Certain Personally Identifiable Information to the Consolidated Audit Trail**

On February 10, 2025, the SEC issue an [order](#) granting exemptive relief from the requirement to report certain personally identifiable information (PII) – names, addresses, and years of birth – to the Consolidated Audit Trail (CAT) for natural persons reported with transformed social security numbers. National securities exchanges and FINRA are still obligated to continue to require their members, through their rules designed to comply with CAT, to report other required information, including a transformed value for the social security numbers, individual tax payor identification numbers and the firm designated IDs for accounts for natural persons.

### **SEC Issues Temporary Exemptive Relief to Delay Reporting of Short Sale Related Information**

On February 7, 2025, the SEC issued an [exemptive order](#) to provide temporary relief from compliance with Rule 13f-2 under the Securities Exchange Act and from reporting on Form SHO. Rule 13f-2 requires institutional investment managers that meet or exceed certain specified thresholds to file Form SHO with the SEC regarding certain equity securities within 14 calendar days after the end of each calendar month. The SEC will publish, on an aggregated basis, certain information regarding each equity security reported by institutional investment managers on Form SHO. As a result of the exemption, the new compliance date for filings on initial Form SHO reports will now be Feb. 17, 2026 for the January 2026 reporting period.

### **In Case You Missed It:**

### **SEC Acting Chair Announces the Appointment of Executive Staff and Certain Senior Officers**

On February 4, 2025, the SEC Acting Chairman Mark Uyeda [announced](#) the appointment of his executive staff and certain senior officers for the Division of Enforcement and Division of Corporation Finance.

## **SEC Approves Registrations of Eight SBSEFs**

On January 29, 2025, the SEC [approved](#) the registrations of eight Security-Based Swap Execution Facilities. The entities approved are Bloomberg SEF LLC, Tradition SEF, LLC, GFI Swaps Exchange LLC, ICE Swap Trade, LLC, TW SEF LLC, WEMATCH.LIVE LLC, tpSEF Inc. and GLMX Technologies, LLC

## **FINRA Fines IBN and Principal for Regulation BI Failures**

On January 29, 2025 IBN Financial Services, Inc. and one of its principals [settled](#) FINRA charges for violations of Reg BI and supervisory failures. According to the letter of acceptance, waiver and consent, IBN and its principal recommended speculative alternative investments, including illiquid corporate bonds and non-traded real estate investment trusts, without adequately considering the customers' liquidity needs, risk tolerance, or overall investment profiles. Further, FINRA found that the firm failed to enforce its own supervisory procedures, which required heightened review for alternative investment concentrations exceeding certain thresholds.

## **Apex Clearing Corporation Settles FINRA Charges Regarding Suitability of Securities Lending Program**

On February 4, 2025, Apex Clearing Corporation [settled](#) FINRA charges for failing to ensure its fully paid securities lending program was appropriate for the customers.

According to FINRA's letter of acceptance, waiver and consent, during the relevant period the firm "entered into securities loans with certain introduced customers without having reasonable grounds to believe the loans were appropriate for those customers because those customers did not receive a loan fee for lending their shares." FINRA also stated the firm did not have procedures to verify the appropriateness of loans or ensure required disclosures were provided.

## **Banyan Securities, LLC Settles FINRA Charges for Failure to Conduct Independent AML Testing**

On February 6, 2025, Banyan Securities, LLC [settled](#) FINRA charges for failing to conduct independent testing of its anti-money laundering compliance program. According to FINRA's letter of acceptance, waiver and consent, Banyan failed to conduct independent testing of its AML program and failed to have written procedures requiring independent AML testing.