

**Notable Developments:**

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- **SEC to Host Roundtable on Artificial Intelligence on March 27**
- **SEC Announces Division of Corporation Finance Enhancing the Accommodation for Companies Submitting IPO Registration Statements for Nonpublic Review**
- **SEC Provides Comprehensive “EDGAR Next” Guidance to Assist Filers with Transitioning to New System**
- **SEC Acting Chair Uyeda Addresses Trading, Clearing and Other Considerations Relating to Treasury Markets**

**SEC Enforcement:**

- **SEC Revokes Delegated Authority to Enforcement Division Director to Issue Formal Order of Investigation**
- **SEC Charges Investment Adviser and Officers for Misuse of Fund and Portfolio Company Assets**

**In Case You Missed It:**

- **OCC Rescinds Prior Interpretive Letter to Remove Supervisory Nonobjection Process for Banks Engaging in Crypto Asset Activities**
- **House Passes Resolution to Overturn IRS Crypto Broker Reporting Rule**
- **FINRA Settles Charges Against Its Member and Compliance Officer for AML Failures**

**Notable Developments:**

**SEC Crypto Task Force to Host First Roundtable on March 21**

On March 3, 2025, the SEC [announced](#) that its Crypto Task Force will host several roundtable discussions on key areas of interest in the regulation of crypto assets. The [first roundtable event](#) will be held from 1 p.m. to 5 p.m. on March 21, 2025, focusing on defining security status of crypto assets and will be open to the public and will be streamed live on the SEC website.

**SEC to Host Roundtable on Artificial Intelligence on March 27**

On February 28, 2025, the SEC [announced](#) that it will hold a roundtable event on the risk, benefits, and governance of artificial intelligence in the financial industry from 9 a.m. to 4 p.m. on March 27, 2025 at the SEC's headquarters in Washington, D.C., which will also be streamed live on the SEC website.

### **SEC Announces Division of Corporation Finance Enhancing the Accommodation for Companies Submitting IPO Registration Statements for Nonpublic Review**

On March 3, 2025, the SEC [announced](#) that its Division of Corporation Finance staff will further facilitate IPO by enhancing the accommodations available to companies submitting draft registration statements for confidential nonpublic review. The [enhanced accommodations](#) include:

- Expanding the availability of the nonpublic review process for the initial registration of a class of securities under the Exchange Act to include section 12(b) and section 12(g) registration statements on Forms 10, 20-F or 40-F.
- Permitting issuers to submit draft registration statements regardless of how much time has passed since they became subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.
- Expanding the availability of the nonpublic review process for a de-SPAC transaction in situations where the SPAC is the surviving entity (*i.e.*, SPAC-on-top structure) as long as the target is eligible to submit a draft registration statement.
- Permitting issuers to omit the name of the underwriter(s) from their initial draft registration statement submissions, when otherwise required by Items 501 and 508 of Regulation S-K, provided that they include the name of the underwriter(s) in subsequent submissions and public filings.

### **SEC Provides Comprehensive “EDGAR Next” Guidance to Assist Filers with Transitioning to New System**

On March 6, 2025, the SEC [announced](#) extensive guidance and resources to assist filers with the upcoming access and account management enhancements to the EDGAR system pursuant to the [final rule and form amendments](#) adopted by the SEC in September 2024. A new EDGAR Filer Management dashboard will open where filers may enroll in EDGAR Next and where individuals or entities requiring access to file on EDGAR may submit the Form ID access application. Enrollment in EDGAR Next will remain open until December 19, 2025; however, filers should enroll no later than September 12, 2025 to avoid interruption in the ability to file. More information is available on the [EDGAR Next webpage](#).

### **SEC Acting Chair Uyeda Addresses Trading, Clearing and Other Considerations Relating to Treasury Markets**

In his [speech](#) at the Institute of International Bankers' Annual Washington Conference on March 10, 2025, the SEC Acting Chair Uyeda discussed trading, clearing and other regulatory considerations relating to the Treasury Markets.

With respect to trading, Uyeda directed the SEC staff to re-engage with the Treasury Department, the Federal Reserve and market participants to consider whether the SEC should move forward with the proposed rules published in 2020 to enhance Government Securities ATS and consider options on abandoning the broad definition of an “exchange” proposed in 2022 that would include “communications protocols” without clearly defining it, which would pick up various protocols used with respect to crypto assets.

Regarding clearing, while Uyeda thinks the policy behind mandatory clearing of Treasury transactions is sound, the original timeline is not optimal and stated that the SEC had extended the compliance deadlines to clear cash transactions to the end of 2026 and repo transactions to the end of June 2027. Some of the open issues to be worked through include a lack of clarity regarding the extraterritorial scope of the mandatory clearing rules. Uyeda has directed the staff to examine the open issues and identify a corresponding action plan and encouraged foreign banks to engage with the appropriate regulatory bodies in the U.S. and in their home countries to resolve these issues.

Uyeda also raised the procyclical effect on regulatory requirements, such as capital and liquidity (as well as margin of clearing agencies). Uyeda believes that regulators should seek to allow the use of anti-procyclical measures or countercyclical buffers and other dynamic risk management tools to smooth the procyclical impacts and emphasizes the importance of international coordination and cooperation.

## **SEC Enforcement:**

### **SEC Revokes Delegated Authority to Enforcement Division Director to Issue Formal Order of Investigation**

On March 10, 2025, the SEC adopted [final rules](#) to eliminate the delegated authority of the Director of the Division of Enforcement to issue formal orders of investigation. Prior to this change, the Director of Enforcement could commence investigations and issue subpoenas.

### **SEC Charges Investment Adviser and Officers for Misuse of Fund and Portfolio Company Assets**

On March 7, 2025, the SEC [announced](#) settled charges against Momentum Advisors LLC, a registered investment adviser, and its former managing partner and former chief operating officer and partner for misusing fund and portfolio company assets. According to the SEC's orders, the individuals charged misused misappropriated funds from portfolio companies of

a private fund manage by them by misusing portfolio company debit cards to pay for personal expenses.

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

#### **OCC Rescinds Prior Interpretive Letter to Remove Supervisory Nonobjection Process for Banks Engaging in Crypto Asset Activities**

On March 7, 2025, Office of the Comptroller of the Currency issued [Interpretive Letter 1183](#), which rescinds Interpretive Letter 1179 issued on November 18, 2021 and reaffirms that the crypto-asset custody, distributed ledger, and stablecoin activities discussed in the prior Interpretive Letter 1179 are permissible and banks no longer need to go through the nonobjection process to conduct these crypto asset activities.

#### **House Passes Resolution to Overturn IRS Crypto Broker Reporting Rule**

On March 11, 2025, the House of Representatives passed a [resolution](#), H.J. Res 25, titled *Gross Proceeds Reporting by Brokers That Regularly Provide Services Effectuating Digital Asset Sales*, in a 292-132 vote, which nullifies a December 30, 2024 IRS [rule](#) requiring persons effectuating decentralized financial transactions to report certain information regarding digital asset sales. The resolution was sent to the Senate for consideration on March 12, 2025.

#### **FINRA Settles Charges Against Its Member and Compliance Officer for AML Failures**

On March 4, 2025, FINRA [settled](#) charges against Network 1 Financial Securities Inc. and its anti-money laundering compliance officer for violation of FINRA Rules 3310(a) and 2010 regarding anti-money laundering (AML) and customer identification program, suspicious activity monitoring, recordkeeping and related supervisory responsibilities.

According to the letter of acceptance, waiver and consent, Network 1 failed to implement a reasonably designed Customer Identification Program to verify the identities customers purchasing shares in IPOs underwritten by Network 1. FINRA determined the AML procedures did not reasonably detect or address red flags concerning the opening of customer accounts.