

**Notable Developments:**

- **Paul Atkins Confirmed by Senate as New SEC Chair**
- **SEC's Division of Corporation Finance Issues Statement on Disclosure Requirements Applicable to Crypto Asset Securities Offerings**
- **SEC's Division of Corporation Finance Issues Statement on Stablecoins Not Subject to Federal Securities Laws**
- **SEC Approves Green Impact Exchange's (GIX) Application for Registration as a National Securities Exchange**
- **SEC Considers Application to Allow Certain Business Development Companies to Co-Invest**
- **SEC to Hosts Crypto Custody Roundtable**

**In Case You Missed It:**

- **House Financial Services Committee Requests Withdrawal of 14 SEC Rules**
- **Industry Urges Congress to Amend Bank Regulatory Requirements to Enhance Resilience of Treasury Markets**
- **NASAA Approves Revisions to Model Business Conduct Rule**
- **CFTC Withdraws Digital Asset Clearing Guidance**

**Notable Developments:**

**Paul Atkins Confirmed by Senate as New SEC Chair**

On April 9, 2025, the US Senate, in a 52-44 vote, [confirmed](#) the appointment of Mr. Paul Atkins as a member and Chairman of the SEC. The SEC's three existing Commissioners issued a [statement](#) on the same day to welcome Mr. Atkins as the next Chairman of the SEC.

**SEC's Division of Corporation Finance Issues Statement on Disclosure Requirements Applicable to Crypto Asset Securities Offerings**

On April 10, 2025, the SEC's Division of Corporation Finance issued a [statement](#) on the application of certain disclosure requirements under the federal securities laws to offerings and registrations of securities in the crypto asset markets.

**SEC's Division of Corporation Finance Issues Statement on Stablecoins Not Subject to Federal Securities Laws**

On April 4, 2025, the SEC's Division of Corporation Finance issued a [statement](#) concluding that certain "Covered Stablecoins" do not involve the offer and sale of securities within the meaning of federal securities laws.

The statement applied the four-factor "family resemblance" test set forth by the Supreme Court in [Reves v. Ernst & Young](#). Under *Reves*, a note is presumed to be a security unless it closely resembles a "typical commercial transaction," a presumption that can be rebutted. A *Reves* analysis considers: (i) the motivations of the seller and buyer; (ii) the plan of distribution of the instrument; (iii) the reasonable expectations of the investing public; and (iv) risk-reducing. Federal courts apply the *Reves* test as a balancing analysis, weighing all four factors together to determine whether a note qualifies as a security.

The Division of Corporation Finance noted that issuers of Stablecoin use funds from Stablecoin sales to support a reserve, while purchasers are "not motivated by an expected return on their funds." The Division also highlighted that Stablecoins are marketed solely as a means of payment or value storage, not for profit. It also found that Covered Stablecoins are backed by a fully funded liquid reserve.

In addition, the statement considered when a Covered Stablecoin is "not viewed as a note or other debt instrument." Under this analysis, the statement analyzed Stablecoins using the 'investment contract' test set forth in *Howey* to determine whether money was invested with "a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others." The Division concluded that Covered Stablecoins do not meet this standard, as purchasers are not motivated by profit, but by the functional use of the Stablecoin in transactions.

The statement is limited to the characterization of stablecoins and the conditions and circumstances under which stablecoins would not be viewed as securities. The statement is issued by the Division of Corporate Finance and does not bind the Commission. It is not clear whether the SEC's Division of Investment Management has analyzed the issue of whether the reserve backing the stablecoins could be viewed as an investment company subject to the Investment Company Act and how the Division of Investment Management would view stablecoins in that context. The statement also does not address who would be eligible issuers to issue or mint stablecoins in order for the stablecoins to meet the "Covered Stablecoins" definition and the requirements regarding custody of the U.S. dollars and investments held in the reserve backing the "Covered Stablecoins". Staff recognizes in the statement that U.S. dollars held in a reserve may be invested in investments considered "low-risk and readily liquid with a USD-value that meets or exceeds the redemption value of the stablecoins in circulation" but provides no clarity on how the issuer of the stablecoins may invest the U.S. dollars held in the reserve to ensure sufficient liquidity to avoid a bank

run-like crisis. Since the staff is of the view that stablecoins that meet the definition of “Covered Stablecoins” described in the statement would not be securities, it is likely that the SEC’s Division of Corporation Finance does not think it needs to address these questions.

SEC Commissioner Caroline A. Crenshaw [criticized](#) the Division's public statement, arguing it relies on flawed assumptions and misrepresents key facts about the Stablecoin market. Ms. Crenshaw noted that most retail holders access Stablecoins through intermediaries with no obligation to redeem at par or ensure rights to the issuer's reserve, warning that the SEC’s position promotes a false sense of the "supposed stability and safety" of Stablecoins.

### **SEC Approves Green Impact Exchange’s (GIX) Application for Registration as a National Securities Exchange**

On April 11, 2025, the SEC issued an [order](#) approving Green Impact Exchange, LLC’s application for registration as a national securities exchange, making it the 28<sup>th</sup> national securities exchanges registered with the SEC on Form-1 pursuant to Section 6(a) of the Securities Exchange Act.

### **SEC Considers Application to Allow Certain Business Development Companies to Co-Invest**

On April 3, 2025, the SEC published a [Notice](#) of an application by certain business development companies and closed-end management investment companies for permission to engage in co-investment transactions in portfolio companies with each other and certain affiliated investment entities. The applicants requested relief from the requirements of Investment Company Act Section 17(d) and under Rule 17d-1 thereunder. The applicants argue that co-investment "has become a virtual necessity for managers of regulated funds investing in privately placed assets, in particular managers of private credit focused closed-end funds and [business development companies]."

### **SEC to Host Crypto Custody Roundtable**

The SEC’s [Crypto Task Force](#) will hold a [crypto custody roundtable](#) from 1:00-5:00 p.m. on April 25, 2025.

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

#### **House Financial Services Committee Requests Withdrawal of 14 SEC Rules**

On March 31, 2025, Republican members of the House Financial Services Committee sent a [letter](#) to request Acting SEC Chair Mark T. Uyeda to withdraw fourteen final and proposed rules promulgated under the previous administration.

The letter asked the SEC to withdraw the following rules:

- 1) [Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure](#);
- 2) [Short Position and Short Activity Reporting by Institutional Investment Managers](#);
- 3) [Reporting of Securities Loans](#);
- 4) [Pay Versus Performance](#);
- 5) [Investment Company Names](#);
- 6) [Form N-PORT and Form N-CEN Reporting; Guidance on Open-End Fund Liquidity Risk Management Programs](#);
- 7) [Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker Dealers and Investment Advisers](#);
- 8) [Open-End Fund Liquidity Risk Management Programs and Swing Pricing](#);
- 9) [Regulation Best Execution](#);
- 10) [Order Competition](#);
- 11) [Position Reporting of Large Security-Based Swap Positions](#);
- 12) [Regulation Systems Compliance and Integrity](#);
- 13) [Outsourcing by Investment Advisers](#); and
- 14) [Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices](#).

### **Industry Urges Congress to Amend Bank Regulatory Requirements to Enhance Resilience of Treasury Markets**

On April 8, 2025, the Task Force on Monetary Policy of the House Financial Services Committee held a [hearing](#) on U.S. Treasury debt in the monetary system. Both Tom Wipf, Managing Director at UBS, and ISDA CEO Scott O'Malia emphasized the importance of maintaining the resilience of the U.S. Treasury market by amending the Supplemental Leverage Ratio ("SLR") and promoting central clearing. Mr. O'Malia [suggested](#) that the SLR must be recalibrated to avoid constraining "bank intermediation," particularly during market stress. He also warned that the US Basel III endgame and G-SIB surcharge would impose disproportionate capital burdens, increasing costs for client clearing "by more than 80%." He suggested aligning capital rules with actual risk to preserve liquidity and access.

### **NASAA Approves Revisions to Model Business Conduct Rule**

On April 7, 2025, The North American Securities Administrators Association [amended](#) its Model Business Conduct Rule to incorporate the Reg BI duty of care obligation for investment recommendations and to clarify this standard "for purposes of state interpretation and enforcement." The amendments clarify that broker-dealers must (i) make recommendations that are "in the best interest of the retail customer" consistent with Reg BI, (ii) "make all reasonable efforts to avoid or eliminate conflicts of interest," and (iii) not misleadingly use the title 'advisor.'

### **CFTC Withdraws Digital Asset Clearing Guidance**

On March 28, 2025, the CFTC Division of Clearing and Risk [withdrew](#) its advisory letter on the risks of derivatives clearing organizations clearing of digital assets. According to the notice of withdrawal, the action was taken to avoid implying that digital asset derivatives are treated differently from other products. In its withdrawal letter, the staff stated it "conducts its supervision of clearing activities and oversight of compliance with the Commodity Exchange Act and Commission regulations consistently, regardless of the specific commodity underlying relevant contracts."