Davis Polk

Investment Management & Funds Regulatory Update - September 2025

September 30, 2025 | Client Update | 4-minute read

In this issue, we discuss, among other things, the further extension of the compliance date for Form PF amendments, and a recent enforcement action involving alleged violations of the marketing rule, books and records rule, and compliance rule under the Advisers Act.

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Rules and regulations

SEC and CFTC further extend the compliance date for Form PF amendments

In a release dated September 17, 2025, the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) further extended the compliance date for amendments to Form PF that were adopted on February 8, 2024. The compliance date was extended to October 1, 2026 from October 1, 2025, which was the second extended compliance date from the initial compliance date of March 12, 2025. According to the release, the SEC and CFTC determined that a further extension was needed to provide time for them to complete their substantive review of Form PF, and "to the extent there are substantial questions of fact, law, or policy, take any further appropriate actions,

which may include proposing new amendments to Form PF." Form PF is the confidential report that is required to be filed by certain SEC-registered investment advisers to private funds, including those that are also registered with the CFTC as a commodity pool operator or commodity trading adviser. For more information on the Form PF amendments that were adopted on February 8, 2024, please see our client update on this topic.

Industry update

Bringing alternative assets to retirement accounts: Four steps the administration should prioritize

President Trump's August 7, 2025 retirement plan Executive Order (EO) underscores the administration's objective to make alternative assets available to defined-contribution plan participants. Although plan fiduciaries are not currently prohibited from offering such investments on plan menus, regulatory burdens and litigation risks generally make them reluctant to do so. Accordingly, the EO directs the Department of Labor (DOL) and the SEC, in broad strokes, to take actions to address these hinderances. Please see our recent client update on this topic for a discussion of specific measures the agencies, and the administration as a whole, should consider to achieve the purposes of the EO.

Litigation

SEC charges investment adviser with marketing, books and records, and compliance rule violations

On September 4, 2025, the SEC issued an order (the Order) instituting and settling administrative and cease-and-desist proceedings against Meridian Financial, LLC, a registered investment adviser (RIA), for violations of the marketing, books and records, and compliance rules under the Advisers Act. According to the Order, the RIA violated the marketing rule by stating on its public website that the RIA "refuse[d] all conflicts of interest" when the RIA lacked a reasonable basis for believing it would be able to substantiate such statement on demand by the SEC. The Order noted that in the RIA's Form ADV Part 2A brochure, the RIA recognized that conflicts of interest are inherent in its provision of investment advisory services, and indicated that the RIA would disclose certain conflicts of interest to clients or take steps to mitigate such conflicts.

According to the Order, the RIA also violated the books and records rule under the Advisers Act by failing to keep true, accurate, and current copies of advertisements published on its public website. The SEC also determined that the RIA violated the compliance rule under the Advisers Act by failing to conduct an annual review of the adequacy of its compliance policies and procedures and the effectiveness of their implementation, and failing to comply with the annual review requirements set forth in its compliance manual. As described in the Order, the RIA's annual compliance review in 2023 was incomplete and was limited to a cursory review of its Form ADV, and in 2024, the RIA's annual compliance review, conducted with a compliance consultant, was inadequate because it assessed an outdated version of the RIA's compliance manual that was no longer in use and did not incorporate the requirements of the marketing rule.

On account of this alleged conduct, the SEC charged the RIA with violations of Sections 204(a) and 206(4) of the Advisers Act and Rules 204-2(a)(11), 206(4)-1(a), and 206(4)-7 thereunder. The RIA agreed to pay a $75,000 civil penalty and comply with certain undertakings designed to correct the compliance failures identified.

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