

SEC Adopts New ETF Rule

October 30, 2019 | Client Update

On September 26, 2019, the Securities and Exchange Commission (“SEC”) announced that it had unanimously adopted rule 6c-11 under the Investment Company Act of 1940, as amended and related form amendments to standardize and modernize the regulatory framework for most exchange-traded funds. Rule 6c-11 was adopted in largely the same form as the rule proposed on June 28, 2018, with modifications intended to address the operational challenges identified by commenters in response to the proposal. In addition to the adoption of rule 6c-11, the SEC also granted an order for conditional exemptive relief from section 11(d)(1) of the Securities Exchange Act of 1934 and rules 10b-10, 15c1-5, 15c1-6 and 14e-5 thereunder.

Our memorandum discusses the main provisions of new rule 6c-11, the form amendments and the exemptive relief, in addition to providing information regarding the key differences from the proposed rule.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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