

SEC Proposes Rules to Modernize and Enhance Information Reported by Investment Companies and Investment Advisers

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On May 20, 2015, the Securities and Exchange Commission (the “SEC”) proposed rules, forms and amendments under both the Investment Company Act of 1940, as amended (the “Investment Company Act”) and the Investment Advisers Act of 1940, as amended (the “Advisers Act”) to strengthen and update reporting and disclosure by registered investment companies (“RICs”) and investment advisers.

According to the SEC, proposals made under the Investment Company Act would enhance data reporting for mutual funds, exchange-traded funds (“ETFs”) and other RICs. The proposals consist of the following principal reforms:

- Requiring RICs, other than money market funds, to file a new monthly portfolio reporting form, Form N-PORT, that would provide portfolio-wide and position-level holdings data to the SEC on a monthly basis.
- Amending Regulation S-X to require enhanced and standardized disclosures in the financial statements that are required in RICs’ registration statements and shareholder reports.
- Requiring RICs to file a new annual reporting form, Form N-CEN, that would provide certain census-type information to the SEC and would replace Form N-SAR, the form currently used to report RIC census information.
- Permitting mutual funds and other RICs to satisfy transmission requirements by making reports accessible to shareholders on their website.

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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