

SEC proposes amendments to liquidity risk management and required swing pricing for certain funds

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The SEC's newly proposed amendments would require updates to '40 Act fund liquidity risk management programs and would require swing pricing for certain funds. The proposal is designed to ensure that '40 Act funds maintain an appropriate balance of liquid investments, standardize their classification of liquid investments, mitigate the dilution of remaining shareholders' interests following net purchases or net redemptions and file timely reports that detail their liquidity risk management.

Introduction

In a [November 2, 2022 release](#) (Proposing Release), the Securities and Exchange Commission (SEC) proposed amendments (Proposal) to improve the liquidity risk management of open-end management investment companies (excluding money market funds and certain exchange-traded funds) (Funds) and mitigate dilution of shareholders' interests through amendments to Rules 22e-4, 22c-1, and certain reporting requirements under the Investment Company Act of 1940, as amended (Investment Company Act). The Proposal is designed to ensure that Funds maintain an appropriate balance of liquid investments, standardize their classification of liquid investments, mitigate the dilution of remaining shareholders' interests following net purchases or net redemptions and file timely reports that detail their liquidity risk management. The Proposal would:

- Revise requirements for Funds' liquidity classifications to assume the sale of 10% of each portfolio investment rather than consider a "reasonably anticipated trade size" as currently required.
- Remove the "less liquid" investment category, reclassify all investments that fall into that category as "illiquid" investments and amend the definition of "moderately liquid" investments.
- Require at least 10% of a Fund's assets to be highly liquid and remove the exclusion for Funds that primarily invest in highly liquid investments.
- Require Funds to implement swing pricing by providing explicit swing pricing thresholds and introducing a "hard close" deadline.
- Amend periodic report requirements on Form N-PORT from quarterly to monthly filings.
- Amend certain reporting and disclosure requirements on Forms N-PORT, N-1A and N-CEN.

Background

According to the Proposing Release, the SEC recognizes that a key feature of a Fund is shareholders' ability to redeem shares on demand. However, in times of market stress (as noted most recently in March 2020), on-demand redemption means that shareholders may rush to redeem their shares under certain circumstances. The Proposing Release explains that processing these redemptions in quick succession may dilute remaining shareholders when a Fund is required to

make timely payouts, as transacting shareholders are being paid out at a rate that does not factor in the associated transaction costs that the Fund incurs. Consequently, it is the remaining shareholders that are left bearing the transaction expenses triggered by transacting investors. The SEC has previously noted that these issues require attention to ensure that Funds have sufficient liquid investments on hand and are able to redistribute transaction costs to transacting investors rather than remaining shareholders.

In 2016, the SEC recognized that Funds may have difficulty meeting redemption requests without diluting remaining investor interests. These liquidity and dilution concerns led to the adoption of Rule 22e-4 under the Investment Company Act, which requires the (i) assessment and periodic review of a Fund's liquidity risk; (ii) classification of the liquidity of a Fund's portfolio investments in four categories (i.e., highly liquid, moderately liquid, less liquid and illiquid); (iii) periodic review of a Fund's "highly liquid" investment minimum (unless a Fund primarily invests in highly liquid investments); (iv) establishment of a cap on "illiquid" investments; and (v) oversight by the board of the liquidity risk management program. The SEC also introduced additional reporting requirements on Form N-PORT, and adopted a rule permitting the use of swing pricing (Swing Pricing), which is the process of adjusting a Fund's share price above or below its net asset value (NAV) per share to pass on the associated transaction costs of the redeeming or purchasing shareholder.

The Proposing Release notes that despite the introduction of these liquidity risk management protections, Funds were subject to severe market stress in March 2020 and were unprepared for the wave of shareholder redemptions that followed. The SEC additionally found that Funds were not reclassifying the liquidity profile of their portfolio investments at a timely pace, were insufficiently liquid, and that no Fund had yet implemented Swing Pricing, which the SEC believes was due to certain administrative and operational difficulties. The SEC is therefore proposing amendments to these rules to address the deficiencies that currently exist in ensuring adequate liquidity risk management and providing a roadmap for intermediaries and Funds to properly implement Swing Pricing to help prevent dilution of shareholders in Funds.

Proposed amendments to Rule 22e-4

Amendments concerning stressed trade size and significant changes in market value

According to the Proposing Release, the Proposal would help standardize how Funds make liquidity classifications for their portfolio investments.

First, the Proposal would require Funds to assume the sale of 10% of each portfolio investment, rather than the current rule's approach of "assuming the sale of a reasonably anticipated trade size in current market conditions." According to the Proposing Release, this is a direct response to the wide variation that currently exists when Funds determine reasonably anticipated trade sizes and the "ineffectiveness of small trade sizes in helping a [F]und prepare for stress." The Proposing Release notes that Funds use a variety of different metrics in determining reasonably anticipated trade sizes, including flow history, flow trends of similar Funds, and shareholder makeup and concentration, and "a [F]und may weigh the importance of [these] factors differently to determine what it would reasonably anticipate trading." According to the Proposing Release, the use of such a reasonably anticipated trade size based on these factors "may not help [F]unds prepare for stressed conditions." In order to ensure Funds are better prepared for such stressed scenarios, the Proposal would require Funds to "measure the number of days in which the investment is reasonably expected to be convertible to U.S. dollars without significantly changing the market value of the investment, while assuming the sale of 10% of the [F]und's net assets by reducing each investment by 10%."

The Proposal defines a "**significant change in market value**" (i) for shares listed on a national securities exchange or a foreign exchange, as selling or disposing more than 20% of the security's average daily trading volume over the preceding 20 business days; and (ii) for any other investments, as any sale or disposition that a Fund reasonably expects would result in a decrease in sales price of more than 1%."

Second, the Proposal establishes a "minimum value impact standard that defines more specifically [than the current rule] what constitutes a significant change in market value." Currently, when liquidity classifications are made, Funds must determine whether a sale or disposition would significantly change the market value of the investment in a variety of ways that allow for significant variation in how a Fund makes such determinations. According to the Proposing Release, this leads to "differences in the quality of [F]unds' classifications, limits comparability of [F]unds' classifications across the same or similar investments, and may cause [F]unds to over-estimate the liquidity of their investments." The Proposal attempts to correct this problem by requiring Funds to consider the size of the sale relative to the depth of the market for the instrument in determining whether a sale would cause a significant change in market value.

Third, the Proposal would remove the ability for Funds to classify and review portfolio investment liquidity according to their asset class, which is currently allowed under Rule 22e-4. According to the Proposing Release, such asset class level classifications are not widely used by many Funds, but “where these...classifications are used, this method runs the risk over-estimating the liquidity of a [F]und’s investments and not adjusting quickly in times of stress.” The Proposing Release additionally notes that such asset class liquidity classifications “are not compatible with other changes we are proposing to the classification framework...”

Amendments to liquidity classification categories

Under the Proposal, Funds would no longer be able to classify investments as “less liquid” and would instead have only three liquidity classification categories or buckets: (i) highly liquid; (ii) moderately liquid; and (iii) illiquid. Currently, Funds must classify investments as “less liquid” when they expect to be able to sell or dispose of such investment in seven calendar days or less, without changing the market value of the investment, but reasonably expect the sale to settle in more than seven calendar days. The Proposing Release notes that the removal of the “less liquid” category is designed to assist Funds’ compliance with the provisions of Section 22(e), which requires Funds to pay shareholder redemption requests within seven days of receiving those requests, as well as to “reduce the risk that [F]unds that invest significantly in less liquid investments may not be able to meet shareholder redemptions.” The Proposing Release highlights that the most common instruments that fall into the “less liquid” category are bank loans, which are not standardized and have individual legal documentation, leading to longer settlement times. Despite bank loan Funds’ ability to meet redemption requests in March 2020, the SEC is concerned that they may not be able to do so in future stressed conditions, “especially as investments in this asset class increase.”

Under the Proposal, investments that currently fall into the “less liquid” category will now be considered “illiquid” investments and count towards the 15% cap on illiquid investments imposed on Funds. The Proposal would also further amend the definition of “illiquid” to include “any investment whose fair value is measured using an unobservable input that is significant to the overall measurement.” The Proposing Release notes that “[w]here an investment is valued using unobservable inputs that are significant to the overall measurement, this may indicate that an active, liquid, and visible market for the investment does not exist[,]” which may correspond to a risk that the Fund “cannot sell the investment in time to meet redemptions without dilution.” Given the other proposed changes noted above, the Proposal would also amend the definition of “moderately liquid” to be any investment that is neither highly liquid nor illiquid.

Please see the chart below for a summary of the changes to the liquidity classification categories:

Liquidity classifications	Current Rule 22e-4	Proposed Rule 22e-4
Highly liquid Investment	Any cash held by a Fund and any investment that the Fund reasonably expects to be convertible into cash in current market conditions in three business days or less without the conversion to cash significantly changing the market value of the investment.	Any U.S. dollars held by a Fund and any investment that the Fund reasonably expects to be convertible to U.S. dollars in current market conditions in three business days or less without significantly changing the market value of the investment.
Moderately liquid investment	Any investment that the Fund reasonably expects to be convertible into cash in current market conditions in more than three calendar days but in seven calendar days or less, without the conversion to cash significantly changing the market value of the investment.	Any investment that is neither a highly liquid investment nor an illiquid investment.
Less liquid investment	Any investment that the Fund reasonably expects to be able to sell or dispose of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment, but where the sale or disposition is reasonably expected to settle in more than seven calendar days.	Removed.
Illiquid investment	Any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment.	Any investment that the Fund reasonably expects not to be convertible to U.S. dollars in current market conditions in seven calendar days or less without significantly changing the market value of the investment and any investment whose fair value is measured using an unobservable input that is significant to the overall measurement.

Additionally, the Proposal would amend the term “convertible to cash” to “convertible to U.S. dollars,” and “make conforming amendments to the definition of this term to refer to the ability for a [F]und to sell or dispose or an investment, and for it to settle in U.S. dollars.” According to the Proposing Release, this change is intended to help ensure Funds are able to satisfy their redemption requests in U.S. dollars.

Under current Rule 22e-4, Funds are required to review liquidity classifications at least monthly (and more frequently “if changes in relevant market, trading, and investment-specific considerations are reasonably expected to materially affect one or more of their investments’ classifications”). Under the Proposal, a Fund would be required to classify its portfolio investments **each business day** in order to “enhance [its] ability to more rapidly respond to changes that affect the liquidity of [its] portfolio....”

Further, the Proposal specifies when a Fund must begin to measure the specific number of days in which it “reasonably expects a stressed trading size of an investment would be convertible to U.S. dollars without significantly changing its market value.” As the current rule does not specify when to begin counting days, the Proposal would require a Fund to include the day on which the liquidity classification is made in that measurement. The Proposing Release notes that this is intended to assist with comparability of Fund information as well as to correct any potential overestimation of an investment’s liquidity classification.

Highly liquid investment minimum

Under current Rule 22e-4, Funds that primarily hold highly liquid investments are not subject to the rule’s requirement to establish a “highly liquid investment minimum.” Under the Proposal, the SEC would eliminate the exemption for Funds that primarily hold highly liquid assets, and would require all Funds to maintain a highly liquid investment minimum of at least 10% of their net assets. The Proposing Release notes that these changes are intended to “ensure that [F]unds have sufficient liquid investments for managing stressed conditions and heightened levels of redemptions.”

Additionally, in order to “help ensure that the highly liquid investments a [F]und holds to meet its highly liquid investment minimum are available to support the [F]und’s ability to meet redemptions[,]” the Proposal would require Funds to “(1) subtract the value of any highly liquid assets that are posted as margin or collateral in connection with any derivatives transaction that is classified as moderately liquid or illiquid; and (2) subtract any [F]und liabilities.” The Proposing Release explains that, with respect to the subtraction of collateral noted in (1) above, “this amount of highly liquid assets is not available for the [F]und to use to meet redemptions[,]” and therefore should not be considered part of a Fund’s highly liquid investments. With respect to the subtraction of Fund liabilities, the Proposing Release notes that this amendment is intended to “result in a more accurate calculation of the highly liquid investment minimum[,]” and reflects the fact that “Fund liabilities are generally paid in cash, meaning that highly liquid assets may need to be liquidated in order to satisfy those liabilities rather than to meet redemptions.”

Limit on illiquid investments

Currently, Rule 22e-4 prohibits a Fund from acquiring any illiquid investment if, immediately after the acquisition, the Fund would have invested more than 15% of its net assets in illiquid investments that are assets. The Proposing Release notes that under the Proposal, Funds would be required to classify “the value of margin or collateral that a [F]und could only receive upon exiting an illiquid derivatives transaction” as illiquid for purposes of determining its compliance with the 15% limit on illiquid investments.

Proposed amendments to Rule 22c-1

Swing Pricing overview

The Proposal would amend Rule 22c-1 to require all Funds to engage in Swing Pricing. The Proposing Release explains that “trading activity and other changes in portfolio holdings associated with purchases and redemptions may impose costs, including trading costs and costs of depleting a [F]und’s liquidity.” These costs, the Proposing Release notes, are currently borne by the non-transacting shareholders in the Fund and “can dilute the interests of these shareholders.” The Proposing Release explains that failing to allocate these costs to the transacting investor “create[s] incentives for shareholders to redeem quickly to avoid losses....” The Proposal thus seeks to properly allocate these expenses to the investors transacting in Fund shares.

Swing Pricing was introduced as an option for Funds to use under certain circumstances in 2016. According to the Proposing Release, since the adoption of that rule, no Fund has implemented Swing Pricing, due in part to operational issues Funds and service providers may encounter in implementing Swing Pricing, including Funds receiving flow information (i.e., the amount of net redemptions or net purchases) after they finalize their NAVs. As opposed to the current permissive rule, the Proposal would require Funds to use Swing Pricing whenever a Fund has any net redemptions or when net purchases exceed 2% of a Fund’s net assets. The Proposing Release notes that “every net redemption can potentially involve trading or borrowing costs that dilute the value of the [F]und, as well as a depletion of a [F]und’s liquidity for remaining shareholders....” With respect to the decision to apply a 2% of NAV trigger for Swing Pricing in the case of net purchases, the Proposing Release notes that “smaller levels of net purchases are less likely to result in dilution than net redemptions...because [F]unds, while required to pay redemptions within seven days, are not required to invest cash inflows within a specified period.” This, according to the Proposing Release, allows Fund managers to wait and invest cash at more opportune times.

Market impact costs are the costs incurred when the price of a security changes as a result of the effort to purchase or sell the security. These costs reflect price concessions (amounts added to the purchase price or subtracted from the selling price) that are required to find the opposite side of the trade and complete the transaction.

Additionally, under the Proposal, market impact costs would only be factored into the Fund's Swing Pricing if certain thresholds are met: (i) for net redemptions, market impact costs would only be considered if net redemptions exceed 1% of the Fund's net assets; and (ii) for net purchases, market impact costs would only be considered if net purchases exceed 2% of the Fund's net assets. The Proposing Release further notes that Funds would be able to institute lower market-impact-cost triggers than those identified in the Proposal, should they wish to do so.

Further, the Proposal would require a Fund's board of trustees to name a "swing pricing administrator." Under the Proposal, the administrator would be required to report to the Fund's board at least annually on the operation of the Fund's Swing Pricing policies and procedures, including any material changes to those policies and procedures as well as an assessment of the Fund's swing factors.

The Proposing Release notes that the "**swing pricing administrator**" has the same meaning as the term "**person(s) responsible for administering swing pricing**" under the current rule. The "swing pricing administrator" would be the fund's investment adviser, officer, or officers responsible for administering the fund's swing pricing policies and procedures, and may consist of a group of persons, though portfolio managers cannot be a part of such group.

With respect to determining flows, the Proposal would require the swing pricing administrator to review shareholder flow information on a daily basis to determine if the Fund had experienced net purchases or net redemptions, as well as the amount of such net purchases or net redemptions, based on "reasonable, high confidence estimates."

Implementation of Swing Pricing: calculating the swing factor

Under the current framework, only "near-term costs expected to be incurred by the [F]und as a result of net purchases or net redemptions that occur on the day the swing factor is used, as well as borrowing-related costs associated with satisfying redemptions" are considered in determining the swing factor. Additionally, the current framework considers the "specific investments [the Fund] would purchase to invest the proceeds from subscriptions or sell to meet redemptions." The Proposal amends the current framework to require the swing pricing administrator to "make good faith estimates, supported by data, of the costs the [F]und would incur if it purchased or sold a *pro rata* amount of each investment in its portfolio to satisfy the amount of net purchases or net redemptions (i.e., a vertical slice)." The Proposing Release notes that the vertical slice methodology "more fairly reflect[s] the costs imposed by redeeming or purchasing investors...." The Proposing Release further provides an example of a Fund selling only highly liquid investments to meet redemptions. Under the current framework, the swing factor would be relatively small to reflect the low transaction costs of selling those investments, but "generally would not account for the effect of leaving remaining investors with a less liquid portfolio or potential longer-term rebalancing costs." The Proposal, however, is designed to "recognize the potential longer-term costs of reducing the [F]und's liquidity under these circumstances."

The Proposal also outlines what factors are required to be considered in the good-faith estimates for determining the swing factor. For both net redemptions and net purchases, the Fund must consider (i) spread costs; (ii) brokerage commissions, custody fees, and any other charges, fees and taxes associated with portfolio investment sales or purchases (as required); and (iii) the market impact (if the applicable market-impact-cost threshold is surpassed). The Proposing Release states that the "market impact component... would reflect good faith estimates of the market impact of selling (in the case of net redemptions) or purchasing (in the case of net purchases) a vertical slice of a [F]und's portfolio to satisfy the amount of net redemptions or net purchases." Additionally, the Proposal would eliminate the current framework's 2% upper limit on the swing factor. The Proposing Release further explains that the vertical slice approach and identification of categories Funds must consider, "help avoid the variability in how [F]unds calculate the swing factors...."

Implementation of Swing Pricing: Hard Close

According to the Proposing Release, one of the main reasons that Swing Pricing has not been used is due to operational challenges, including the timely receipt of flow information. Currently, orders to purchase or redeem are executed at the current day's price "as long as the intermediary receives the order before the time the [F]und has established for determining the value of its holdings and calculating its NAV." The Proposing Release notes that the Proposal would amend how orders are processed, and require the Fund, its designated transfer agent or a registered securities clearing agency to "receive[] an eligible order before the pricing time as of which the [F]und calculates its NAV" for the order to receive the current day's price. The Proposal refers to this as a "Hard Close."

The Proposal would define “**pricing time**” as “the time or times of day as of which the [F]und calculates the current NAV of its redeemable shares pursuant to the rule[.]” and define “**eligible order**” as “a direction to purchase or redeem a specific number or value of [F]und shares.” According to the Proposing Release, the definition of eligible order would also include exchange orders, where “an investor initiates an order to purchase shares of a [F]und using the proceeds from a contemporaneous order to redeem shares of another [F]und.” The Proposing Release further notes that eligible orders would be irrevocable “as of the next pricing time after a designated party receives the order.”

Under the Proposal, if an order is received after the Fund’s established pricing time, it would receive the next day’s price. The Proposing Release explains that the Hard Close requirement would require certain changes to current order processing practices, including more frequent order submissions throughout the business day or the earlier submission of orders. Additionally, the Proposing release notes that “providing [F]unds with more timely and accurate information about the [F]und’s daily flows ... would allow [F]unds to make portfolio and risk management decisions based on more complete and accurate flow information than is available under current practices.” According to the Proposing Release, the Hard Close would facilitate Funds’ ability to operationalize Swing Pricing “by ensuring that [F]unds receive timely flow information, modernizing and improving order processing, as well as helping to prevent late trading.”

The Proposing Release also describes several alternatives to Swing Pricing and a Hard Close requirement, such as the imposition of liquidity fees, dual pricing (i.e., quoting one price for incoming shareholders and one for outgoing shareholders), receipt of indicative flow information from intermediaries by an established time, allowing Funds to estimate flows for the day, later cut-off times for intermediaries and adjusting the spread cost on days with estimated net outflows. The Proposing Release concludes that the proposed Swing Pricing and Hard Close requirements provide certain advantages over these alternatives.

Other proposed amendments to Rule 22c-1

The Proposal would “retain the requirements of the current rule concerning the frequency and time of determining the NAV, but would reorganize and reword those provisions[.] along with the provisions regarding existing exceptions to the rule’s forward pricing requirement.” Additionally, the Proposal would remove the current provision allowing Funds not to calculate their NAV “on days in which changes in the value of the [F]und’s securities will not materially affect the current NAV.”

Proposed amendments to Form N-1A

The Proposing Release notes that Form N-1A would be amended to require Funds to disclose, if applicable, “that if an investor places an order with a financial intermediary, the financial intermediary may require the investor to submit its order earlier than the [F]und’s pricing time to receive the next calculated NAV.” Additionally, the Proposal would remove the requirement to disclose the upper limit of the swing factor, as the upper limit requirement would be removed from Rule 22c-1.

Proposed amendments to Form N-PORT and Form N-CEN

The Proposal would amend the frequency of reporting requirements under Form N-PORT for those that file such form, to require monthly filings of their portfolios and respective holdings, as opposed to the current quarterly filing requirement. Under the Proposal, these filings would be due within 30 days of month-end, with the expectation that they be made public 60 days after month-end. The Proposing Release cited the significant delay in current reporting requirements as the impetus for such change. According to the Proposing Release, this proposed amendment would allow investors to “receive more timely information regarding the [F]und’s portfolio, including its liquidity profile.” The Proposing Release further notes that “[m]arket events have reinforced the need for timely data regarding [F]unds’ portfolios and the liquidity of those portfolios.”

The Proposal would also require reporting of the percentage of a Fund’s assets that fall into each of the three updated liquidity buckets. Additionally, the Proposal would require a Fund to “reduce its reported amount of highly liquid assets by the amount of highly liquid assets that it posts as margin or collateral for derivatives transactions that are not highly liquid and by the amount of the [F]und’s liabilities[.]” in addition to “increas[ing] its reported amount of illiquid assets by the amount of collateral available upon exit of illiquid derivatives transactions.”

To provide greater transparency relating to a Fund's use of Swing Pricing, the Proposal would also require Funds to report the number of times the Fund applied a swing factor during the month and the amount of each swing factor. According to the Proposing Release, this would replace the current requirement to report if a Fund engaged in Swing Pricing and the swing factor upper limit. Additionally, under the Proposal, N-PORT filings would require Funds to report certain return and flow information on the revised monthly N-PORT filing timeline.

The Proposal would also, with respect to Part F of Form N-PORT, require a Fund to attach its complete portfolio holdings within 60 days of the end of the reporting period for each month, "with the exception of the last month of the [F]und's second and fourth fiscal quarters, because the latter portfolio holdings information is already available in [F]unds' annual and semi-annual reports." Additionally, further amendments are proposed with respect to information regarding miscellaneous securities included in Part D of Form N-PORT. In particular, the Proposal would require reporting of information on miscellaneous securities on a monthly basis. Further amendments to Form N-PORT are proposed to conform to the proposed amendments to Rule 22e-4, including (i) the removal of references to the reasonably anticipated trade size, and replacing those with references to the stressed trade size concept discussed above, (ii) revising the liquidity classifications "to reflect the revisions to the liquidity categories in [R]ule 22e-4[.]" (iii) revising the information Funds report about collateral that is posted as margin or collateral in connection with certain derivatives transactions and (iv) revising information Funds would report regarding highly liquid investments to "reflect that not all highly liquid investments will count toward the [F]und's highly liquid investment minimum."

With respect to Form N-CEN, the Proposal would require Funds to "identify and provide certain information about service providers a [F]und uses to fulfill the requirements of [R]ule 22e-4[.]" including (i) the name of each liquidity service provider, (ii) identifying information, such as legal entity identifier and location, for each such service provider, (iii) whether such service provider is affiliated with the Fund or its investment adviser, (iv) the asset classes covered by the service provider and (v) whether such service provider was hired or fired during the reporting period.

Exemptive order rescission and withdrawal of commission staff statements

The Proposing Release notes that, should the Proposal be adopted, the SEC would rescind an exemptive order related to Rule 22e-4, which relates to an adviser's implementation of an alternative liquidity classification methodology, as the order's "representations and conditions, and the relief provided, are predicated on rule 22e-4 in its current form...." Additionally it noted that the Division of Investment Management is "reviewing its no-action letters and other statements addressing compliance with [R]ules 22e-4 and 22c-1 to determine which letters and other staff statements, or portions thereof, would be moot, superseded, or otherwise inconsistent with the final rule amendments, and therefore would be withdrawn."

Transition period

The SEC proposed a 24-month transition period after the effective date of the amendments for compliance with respect to the Swing Pricing requirement in Rule 22c?1 and the related Swing Pricing disclosures on Forms N-PORT and N-1A. The SEC further proposed a 24-month transition period with respect to the proposed Hard Close requirements. The SEC additionally proposed a 12-month transition period for all amendments to Rule 22e-4, as well as the remaining amendments to Forms N-PORT and N-CEN.

Law clerk Gabriel Delabra contributed to this update.

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