

Private Equity Regulatory Update - March 2023

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In this issue, we discuss recent rule proposals regarding cybersecurity risk management and protection of customer information by registered advisers and investment companies.

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Rules and regulations

SEC reopens comment period for proposed cybersecurity risk management rules for registered investment advisers and funds

On March 15, 2023, the U.S. Securities and Exchange Commission (SEC) announced it would reopen the public comment period for the proposed cybersecurity rules for registered investment advisers and investment companies. In its [release](#), the SEC noted that the comment period was being reopened to allow interested parties additional time to analyze the issues in light of other recent regulatory developments relating to cybersecurity risk management. The public comment period will be reopened for 60 days following publication of the reopening release in the Federal Register. For further information on the proposed rule, please see our prior [client update](#).

SEC proposes changes to Regulation S-P to enhance protection of customer information

As part of the broader proposed amendments to cybersecurity rules for certain regulated market participants, the SEC has proposed amendments to Regulation S-P that would affect broker-dealers, investment companies, and registered investment advisers.

Regulation S-P was adopted in 2000 and requires broker-dealers, investment companies, and registered investment advisers to adopt written policies and procedures to protect customer records and information and sets out requirements for how registered transfer agents dispose of consumer report information. According to the [release](#), since Regulation S-P was first adopted, technology has evolved in ways that make it easier to obtain, share, and maintain individuals' personal information in ways that exacerbate the risks of unauthorized access to personal information. The proposed updates to Regulation S-P are meant to address these risks and provide greater security to individuals' personal

information.

For more information on the proposed amendments to Regulation S-P, please see our prior [client update](#).

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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