

Investment Management & Funds Regulatory Update - March 2025

March 31, 2025 | Client Update | 3-minute read

In this issue, we discuss regulatory developments regarding the Investment Company Act “names rule,” new FAQs regarding the Advisers Act “marketing rule” and a FinCEN interim rule eliminating beneficial ownership reporting requirements for U.S. companies and U.S. persons.

Rules and regulations

SEC extends compliance dates for amendments to Investment Company Act “names rule”

In a [March 14 release](#), the SEC extended the compliance dates for amendments to Rule 35d-1 under the Investment Company Act (Names Rule) that were adopted on September 20, 2023 (2023 Amendments). The SEC provided a six-month extension of the compliance dates for the 2023 Amendments to June 11, 2026 for fund groups with net assets of \$1 billion or more as of the end of their most recent fiscal year, and December 11, 2026 for fund groups with less than \$1 billion in net assets as of the end of their most recent fiscal year. In its release, the SEC also recognized the concern that under the original compliance dates, some funds would have had to make “off-cycle” amendments to their disclosure documents, which could incur significant costs for their investors. To address this concern, the SEC noted that the operation of the compliance dates has been modified to allow for compliance based on the timing of certain annual disclosure and reporting obligations that are tied to a fund’s fiscal year-end.

The Names Rule addresses names of registered investment companies and BDCs (together, funds) that the SEC believes are likely to mislead investors about a fund’s investments and risks. The 2023 Amendments broadened the scope of the requirement for such funds to adopt a policy to invest at least 80% of the value of their assets in accordance with the investment focus that a fund’s name suggests. The 2023 Amendments also updated other requirements relating to fund names, including enhanced disclosure and reporting requirements, and additional recordkeeping requirements. For more information on the 2023 Amendments, please see our prior [client update](#) on this topic.

SEC staff issues two new FAQs regarding compliance with Advisers Act “marketing rule”

On March 19, 2025, SEC staff updated its FAQs regarding compliance with Rule 206(4)-1 under the Advisers Act with responses to two new questions relating to the presentation of gross and net performance. The new FAQs clarify when extracted performance and certain portfolio or investment characteristics may be presented on a gross basis in an advertisement, without also being presented on a net basis. For more information, please see our recent [client update](#) on this topic.

FinCEN eliminates beneficial ownership reporting requirements for U.S. companies and U.S. persons

Following the U.S. Treasury Department's March 2 announcement that it would suspend enforcement of the Beneficial Ownership Information Reporting Rule (BOI Reporting Rule) and Corporate Transparency Act against U.S. citizens and domestic companies, FinCEN issued an interim final rule on March 21, 2025 that eliminates the beneficial ownership information reporting requirements for U.S. companies and U.S. persons under the BOI Reporting Rule. For more information, please see our recent [client update](#) on this topic.

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.

Leor Landa

+1 212 450 6160
leor.landa@davispolk.com

Andrew M. Ahern

+1 212 450 3057
andrew.ahern@davispolk.com

Sijia Cai

+1 212 450 3071
sijia.cai@davispolk.com

Luke P. Eldridge

+1 202 962 7144
+1 212 450 3081
luke.eldridge@davispolk.com

Christopher P. Healey

+1 202 962 7036
christopher.healey@davispolk.com

Michael S. Hong

+1 212 450 4048
michael.hong@davispolk.com

Gregory S. Rowland

+1 212 450 4930
gregory.rowland@davispolk.com

Alisa A. Waxman

+1 212 450 3078
alisa.waxman@davispolk.com

Lee Hochbaum

+1 212 450 4736
lee.hochbaum@davispolk.com

James H.R. Windels

+1 212 450 4978
james.windels@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.