

SEC Updates Regulatory Framework for Fund of Funds Arrangements

November 17, 2020 | Client Update

In early October, the SEC adopted changes to “streamline and enhance the regulatory framework applicable to funds that invest in other funds” (otherwise known as “fund of funds” arrangements). The SEC adopted new Rule 12d1-4 under the Investment Company Act of 1940, as amended, in addition to: (i) adopting related amendments to Rule 12d1-1 and to Form N-CEN; and (ii) rescinding Rule 12d1-2 and most exemptive orders granting relief from relevant sections of the Investment Company Act of 1940, as amended. Our client memo examines the scope of the adopted rule and the conditions for compliance, including a comparison to the conditions proposed in December 2018.

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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