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D.C. Circuit Raises the Bar on SEC Review of SRO Rule Filings—May Further Slow Pace of Agency Actions

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A recent decision by the D.C. Circuit Court of Appeals effectively raises the standard for SEC review and approval of rule change filings submitted by national securities exchanges, FINRA, and registered clearing agencies. This decision could materially slow down a process that is a critical path for most self-regulatory organization business and regulatory initiatives. It could also embolden market participants who believe that they may be negatively affected by an SRO's rule change to challenge the SEC's approval on procedural grounds.

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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