

SEC Provides Additional Regulatory Relief in Wake of COVID-19

On March 26, 2020, the Securities and Exchange Commission ("SEC"), [announced](#) two agency actions providing additional relief to market participants in response to the impacts of COVID-19 on the markets. First, the SEC adopted an interim final rule providing relief related to (a) market participants needing to gain access to make filings on the EDGAR system and (b) certain company filing obligations under Regulation A and Regulation Crowdfunding. Second, the SEC published a temporary conditional exemptive order providing relief from certain filing requirements for municipal advisors. This blog post summarizes the SEC relief and conditions to the relief.

Interim Final Rule

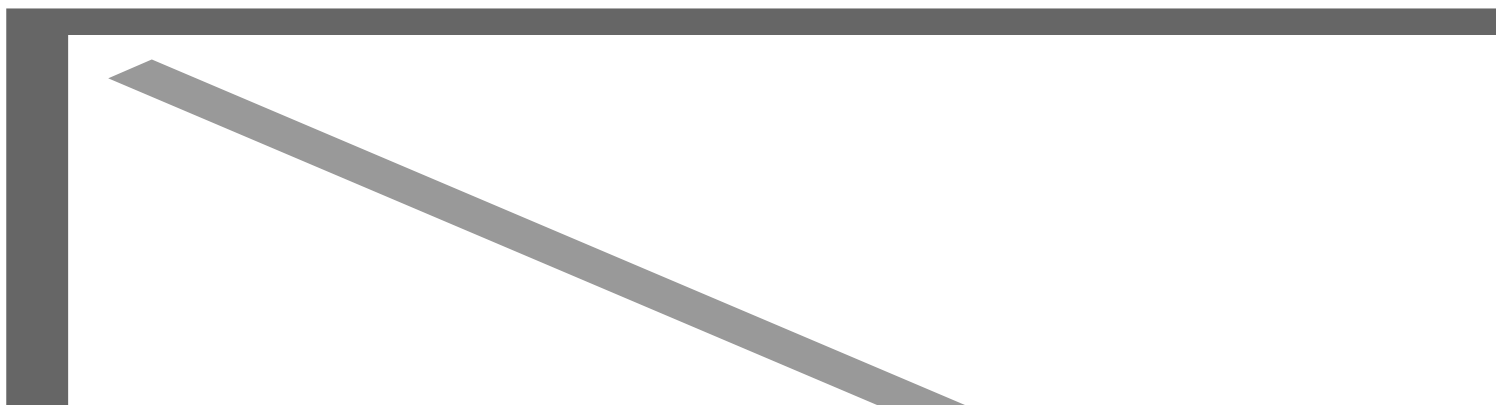
Noting in the Interim Final Rule ("[Final Rule](#)") that "[t]he current outbreak of coronavirus disease 2019 (COVID-19) may present challenges to entities and their representatives in timely meeting certain of their obligations under the federal securities laws", the Final Rule provides relief for market participants subject to (1) the requirement to file a Form ID to gain access to EDGAR and (2) reporting obligations under Regulation Crowdfunding or Regulation A.

Relief from Form ID Requirement

In order to submit filings on the SEC's Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system, market participants must file a Form ID application. [Rule 10](#) of Regulation S-T also requires applicants to attach a notarized document including the information to be included in the Form ID filing in order to confirm its authenticity. In response to concerns that market participants are unable to secure the required notarization as a result of closures due to COVID-19, the Final Rule provides relief from the requirement from March 26, 2020 through July 1, 2020, subject to certain conditions. Specifically, the Final Rule requires that the filer indicate on the document that it could not obtain the required notarization due to circumstances relating to COVID-19. The SEC may ask filers relying on this relief to provide supplemental documents to support their application. Once the SEC issues the filing access codes, the filer is also required to submit via EDGAR a PDF copy of the notarized manually signed document within 90 days.

Regulation Crowdfunding and Regulation A Reporting Relief

The Final Rule temporarily exempts issuers subject to the ongoing reporting requirements set out by Regulation Crowdfunding and Regulation A. The chart below summarizes which filing requirements are subject to the Final Rule.



1. The issuer is not able to meet the deadline due to circumstances related to COVID-19;
2. The issuer discloses on its website (or, for Regulation Crowdfunding issuers, through an intermediary's platform) or otherwise notifies its investors that it is relying on the Final Rule;
3. The issuer files the report or form with the Commission no later than 45 days after its original filing deadline; and
4. The filing "discloses that it is relying on the temporary final rules and states the reasons why, in good faith, it could not file such report or form on a timely basis."

Municipal Advisors Exemptive Order

Exchange Act [Section 15B](#), and [Rule 15Ba1-5\(a\)\(1\)](#), generally require registered municipal advisors to promptly amend their registration statement filed on Form MA at least annually and within 90 days of the end of its fiscal year. The SEC's exemptive order ("[Order](#)") provides relief for municipal advisors from this requirement, provided the following conditions are met:

1. The municipal advisor is unable to meet the deadline "due to circumstances related to current or potential effects of COVID-19";
2. The municipal advisor notifies the SEC that it is relying on the Order;
3. The municipal advisor discloses on its website (or to its clients if it does not have a public website) that it is relying on the Order; and
4. The municipal advisor files the annual update to Form MA "as soon as practicable but not later than 45 days after the original due date for filing."

The SEC announcement notes that SEC staff is tracking developments related to COVID-19 and may consider additional relief from other regulatory requirements for those affected, if appropriate.

Explore more in

[Investment Management](#)

Blog series

Asset Management ADVocate

The Asset Management ADVocate provides unique analysis and insight into legal developments affecting asset managers in the United States.

[View the blog](#)