

SEC Provides a Consolidated Reference for COVID-19 Relief for Investment Companies and Advisers

The SEC's Division of Investment Management has posted [Coronavirus \(COVID-19\) Response FAQs](#) (the "FAQs"), which have been updated through April 14, 2020. The FAQs summarize and provide links to various forms of relief granted by the SEC and the Division to registered investment companies and investment advisers. A list of the questions addressed is provided below.

Questions Covered in the FAQ

Question I.1: How should a fund, SEC-registered investment adviser or exempt reporting adviser contact the staff if it has questions or concerns related to impacts of COVID-19 on its operations or compliance? **Question II.1:** Has the SEC provided any relief for registered investment advisers and exempt reporting advisers affected by COVID-19? **Question II.2:** Will SEC staff view an adviser's reliance on the temporary relief provided in response to COVID-19 as a risk factor for examining the adviser's business continuity plans? **Question II.3:** Has the Division of Investment Management provided any guidance for advisers affected by COVID-19? **Question III.1:** Has the SEC provided any relief for registered investment companies and business development companies ("BDCs") affected by COVID-19? **Question III.2:** Has the Division of Investment Management provided any assistance for investment companies affected by COVID-19? **Question III.3:** Has the SEC provided any relief from in-person board meeting requirements? Does this relief cover approvals of new auditors or advisory contracts? **Question III.4:** The SEC recently provided certain investment companies temporary additional flexibility to obtain short-term funding. Are closed-end funds permitted to rely on this relief for borrowing? **Question III.5:** Item 34.1 of Form N-2 requires a closed-end fund to undertake to suspend its offering of shares until it amends its prospectus if the fund's net asset value declines more than 10% from the fund's net asset value as of the effective date of its registration statement. Several closed-end funds have informed us that their net asset value has declined more than 10% due to current market conditions associated with COVID-19. These funds have asked whether they can satisfy the Item 34.1 undertaking by filing a prospectus supplement pursuant to Rule 497 under the Securities Act of 1933 instead of filing an amendment to their registration statement.

* * *

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](#)