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Rapid Rulemaking: A Look at the Securities and Exchange Commission's Recent Proposed Rules

By Paul Hastings' Securities and Capital Markets team

In June 2021, the Office of Information and Regulatory Affairs released the Spring 2021 Unified Agenda of Regulatory and Deregulatory Actions, which included the Securities and Exchange Commission's (the "Commission") rulemaking agenda (the "Rulemaking Agenda"). The Rulemaking Agenda set an ambitious cadence for the Commission and highlighted a number of its notable rulemaking goals, including disclosure related to special purpose acquisition companies, climate change, human capital management, board diversity, cybersecurity risk, and Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), affirmative defense provisions.¹ In line with the Rulemaking Agenda, the pace of Commission rulemaking has steadily increased under Chairman Gensler's leadership, totaling twelve proposed rules year-to-date. The Commission was especially busy during the short month of February, issuing seven proposed rules. While, we are still eagerly awaiting the Commission's latest thoughts on human capital management and climate change disclosure, both of which were projected for December 2021, February's rulemaking included topics anticipated to be addressed from December 2021 through April 2022. These proposed rules cover the following topics: (1) modernization of beneficial ownership reporting; (2) shortening the securities transaction settlement cycle; (3) the Commission's whistleblower program rules; (4) cybersecurity risk management for investment advisers, registered investment companies and business development companies; (5) private fund advisers and documentation of registered investment adviser compliance reviews; (6) short position and short activity reporting and related matters; (7) reporting of securities loans (the "Proposed Rules").²

Over the coming weeks, we plan to issue a series of articles tackling the nuances of each of the Proposed Rules. The first article in the series addresses the Commission's proposed rule broadening the scope of disclosure required to be provided by private fund advisers and is accessible by clicking [here](#).

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- 1 Office of Mgmt. & Budget, SEC, Agency Rule List—Spring 2021, https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST¤tPub=true&agencyCode=&showStage=active&agencyCd=3235&csrf_token=7CE97CC2D49C9B6B70868F7B2752E582C86F1945A446F34426C18AF1ABE101E611318F64B67159C3A36E7556BD0FB872C8F (last visited March 17, 2022).
 - 2 SEC Proposed Rules, <https://www.sec.gov/rules/proposed.shtml> (last visited March, 17, 2022).

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