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## SEC PROPOSES TO MODERNIZE DERIVATIVE REGULATIONS FOR INVESTMENT FUNDS

Dec 03, 2019

On November 25, 2019, the Securities and Exchange Commission voted to propose a new rule regarding the regulation of the use of derivatives by registered investment companies, including mutual funds, exchange-traded funds (ETFs) and closed-end funds, as well as business development companies. See the [Press Release](#).

Under the [new proposed rule](#) the General Statement of Policy (Release 10666) would be withdrawn after a one-year transition period.

The new rule is in some regards similar to the Commission proposal made in 2015 with respect to the use of derivatives by funds, particularly with respect to its Value at Risk or VaR approach.

In the coming weeks and months we will be analyzing and commenting on the new rule and, in particular, its impact on overall leverage and financing of regulated funds.

## RELATED PRACTICE AREAS

- Finance

## MEET THE TEAM



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