

## **Standish Compliance Regulatory Forum Q2 2025 Updates**

Paul Atkins was formally sworn in as the 34<sup>th</sup> Chairman of the Securities and Exchange Commission (**SEC**) on April 21, 2025, bringing with him a new era focused on investor protection; fair, orderly, and efficient markets; and capital formation. Changes in priorities and personnel quickly followed, as Chairman Atkins noted his intent “to protect investors from fraud, to keep politics out of how our securities laws and regulations are applied, and to advance clear rules of the road that encourage investment in our economy to the benefit of all Americans.” Atkins highlighted a top priority to “provide a firm regulatory foundation for digital assets through a rational, coherent, and principled approach.”

Chairman Atkins appointed new Directors of two of the SEC’s six divisions, including, Brian Daly, Division of Investment Management, and Jamie Selway, Division of Trading and Markets. The remaining four divisions, Examinations, Enforcement, Corporation Finance, and Economic and Risk Analysis, are all currently led by an Acting Director. Efforts by the Department of Government Efficiency (DOGE) to reorganize federal government, reportedly led to more than 600 SEC employees opting to voluntarily depart from their positions. The SEC reportedly had decreased headcount by 15% since the beginning of fiscal year (**FY**) 2025, October 1, 2024, through June 3, 2025. On May 30, Chairman Atkins submitted to Congress the SEC’s FY 2026 budget request of \$2.149 billion, noting that the administration’s budget was flat compared to both FY 2025 and FY 2024 enacted funding levels. The budget request contemplated approximately 4,100 full-time equivalents (**FTEs**), which reflected a net reduction of 447 FTEs compared to the FY 2025 level, due to attrition following early retirement and buy-out offers in calendar 2025.

The SEC’s Crypto Task Force continued hosting various roundtable events throughout the quarter, including crypto trading, crypto custody, tokenization, and decentralized finance (DeFi). In its June roundtable, Chairman Atkins opened the event by lauding blockchains as a “very creative and potentially revolutionary innovation that have us rethinking evidence of ownership and transfer of intellectual and economic property rights.” He criticized the prior U.S. government administration for discouraging participation in these market-based systems by asserting through lawsuits, speeches, regulation, and threatened regulatory action that participants and service providers may be engaged in wrongful or unregistered securities transactions and brokerage activities. He praised Division of Corporation Finance staff for clarifying its view in the crypto industry that voluntary participation in a proof-of-work or proof-of-stake network as a “miner,” “validator,” or “staking-as-a-service” provider is not within the scope of the federal securities laws. Atkins noted his belief that the SEC must adopt and effect regulation of the crypto industry and noted that while the SEC works to propose fit-for-purpose rules of the road for on-chain financial markets, he has directed SEC staff to consider a conditional exemptive relief framework or “innovation exemption” that would expeditiously allow registrants and non-registrants to bring on-chain products and services to market.

Following are the Q2 2025 updates posted in the [Standish Compliance Regulatory Forum](#):

### ***Rulemaking Updates***

- [Form PF Compliance Date Extended \(06/11/25\)](#)
- [Multiple Rule Proposals Withdrawn \(06/12/25\)](#)

### ***Enforcement Cases***

- [SEC Dismisses Hedge Fund MNPI Insider Trading Policy Case \(04/04/25\)](#)
- [Failure to Disclose Class Action Litigation & Collection of Related Claims \(04/07/25\)](#)

- [Undisclosed Conflicts From Payment of Incentive Compensation \(04/25/25\)](#)
- [SEC Charges Private Fund & BDC Manager with Fraud \(04/29/25\)](#)
- [Q2 Crypto Enforcement Developments \(05/29/25\)](#)
- [Misleading Fee Disclosures & Failure to Disclose Conflicts of Interest \(06/02/25\)](#)
- [Cherry Picking Charges Against State-Registered Adviser \(06/03/25\)](#)
- [OFAC Imposes Largest-Ever Penalty on Nonbank Institution for Sanction Violations \(06/12/25\)](#)
- [Justice Department Declines Prosecution for PE Firm Following Voluntary Disclosure of Sanctions Violations \(06/16/25\)](#)
- [SEC Dismisses Multiple Enforcement Actions Involving Unregistered Broker-Dealer Activity \(06/30/25\)](#)

#### ***Risk Alerts***

- [DOJ Adopts Risk-Based Approach in FCPA & White-Collar Enforcement Policy Shift \(06/09/25\)](#)

#### ***News & Events***

- [Paul Atkins Sworn In as SEC Chairman \(04/21/25\)](#)
- [SEC's FY 2026 Congressional Budget Request is Flat \(05/30/25\)](#)
- [SEC Division of Investment Management Hosts Third Annual Conference on Emerging Trends in Asset Management \(06/05/25\)](#)

The Standish Compliance team continues to track and analyze regulatory developments and their impact on our private fund and other clients. Let us know if you have questions regarding any regulatory developments or their application to your firm.