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# Annual SEC and PCAOB Update for Public Companies

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## From the authors

A leap year, the Olympics, a presidential election. Events in 2024, including rulemaking, standard-setting, and other financial reporting developments, were nothing short of exciting. In this update, we share recent financial reporting developments from the Securities and Exchange Commission (SEC), the Public Company Accounting Oversight Board (PCAOB), the American Institute of Public Accountants (AICPA), and the Center for Audit Quality (CAQ).

These bodies worked through the year to maintain the efficiency and effectiveness of our capital markets, though the SEC and the PCAOB are certain to see changes in 2025.

SEC Chair Gary Gensler's departure from the SEC was effective at noon on Jan. 20, 2025, and other SEC leaders announced departures to correspond with the change in presidential administration. President Donald Trump nominated Paul Atkins to serve as SEC chair, which will build on Atkins' service as commissioner from 2002 to 2008. Assuming Atkins is confirmed, we will get further insights into his priorities and agenda in late spring or early summer, but change is already occurring. On Jan. 23, 2025, the SEC issued [Staff Accounting Bulletin \(SAB\) No. 122](#). It rescinds [SAB No. 121](#), which expressed the staff's views on accounting for safeguarding of crypto assets and was the subject of much debate.

Changes at the SEC also likely mean changes at the PCAOB, including board members and rulemaking priorities. The PCAOB in November postponed action on its proposal on noncompliance with laws and regulations (NOCLAR) as it seeks to further engage with stakeholders, including the SEC. Also, on Jan. 14, 2025, the SEC extended the comment periods for two PCAOB final rules, "Firm Reporting" and "Firm and Engagement Metrics and Related Amendments to PCAOB Standards," until Feb. 4, 2025. The PCAOB adopted the final rules on Nov. 21, 2024, subject to approval by the SEC.

We will keep you informed as additional changes occur and hope that as a stakeholder in our financial ecosystem, you find this information useful. We welcome your feedback.

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## Annual Conference on Current SEC and PCAOB Developments

The 2024 American Institute of CPAs (AICPA) & Chartered Institute of Management Accountants (CIMA) Conference on Current Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB) Developments held Dec. 9-11 in Washington, D.C., brought together leading stakeholders from regulatory bodies, standard-setters, and corporate governance groups to address the most pressing issues in financial reporting, auditing, and compliance. The conference emphasized transparency, accountability, and evolving expectations for companies as they prepare for 2025. The Crowe [comprehensive report](#) provides the key messages from SEC commissioners and staff, PCAOB officials, and other stakeholders in the financial reporting ecosystem.

## From the Securities and Exchange Commission (SEC)

### Leadership changes

#### Commissioners

In November 2024, SEC Chair Gary Gensler and Commissioner Jaime Lizárraga announced their planned departures, with Gensler's resignation effective on Jan. 20, 2025, and Lizárraga's on Jan. 17, 2025. On Jan. 20, President Donald Trump [named](#) Commissioner Mark Uyeda as acting SEC chair. Trump nominated SEC Commissioner Paul Atkins to replace Gensler, subject to Senate confirmation.

#### Chief accountant

On Jan. 14, 2025, the SEC [announced](#) Chief Accountant Paul Munter intends to retire from federal service effective Jan. 24, 2025. Ryan Wolfe was [named](#) acting chief accountant, effective Jan. 25, 2025.

#### Corp Fin director

On Dec. 13, 2024, the SEC announced the departure of Erik Gerding, director of the Division of Corporation Finance (CorpFin), effective Dec. 31, 2024. Cicely LaMothe, deputy director of disclosure operations, became acting director.

#### Trading and Markets director

On Dec. 9, 2024, the SEC [announced](#) the departure of Haoxiang Zhu, director of the Division of Trading and Markets, effective Dec. 10, 2024. David Saltiel took over as acting director. Saltiel previously served as a deputy director in the Division of Trading and Markets and head of the division's Office of Analytics and Research.

#### Enforcement director

On Oct. 2, 2024, the SEC [announced](#) the departure of Director of the Division of Enforcement Gurbir Grewal after three years in the post, effective Oct. 11, 2024. Deputy Director Sanjay Wadhwa stepped in as acting director upon Grewal's departure. On Jan. 17, 2025, the SEC [announced](#) Wadhwa's departure, effective Jan. 31, 2025.

## SEC agenda

### SEC publishes updates to regulatory flex agenda

On Oct. 17, 2024, the SEC [announced](#) it had approved publication of its updated fall 2024 [agenda](#). The agenda is expected to change under the next SEC chair (see “Leadership changes” section in this report).

## Rulemaking activity – final rules

### Final rules on SPAC transactions

On Jan. 24, 2024, the SEC adopted [final rules](#) on IPOs conducted by special purpose acquisition companies (SPACs) and on subsequent business combination transactions, commonly known as de-SPAC transactions. The final rules, which include new guidance and regulatory changes alongside enhanced disclosures, better align requirements and legal obligations in such transactions with those of traditional IPOs.

Among other provisions, the final rules introduce new mandatory disclosures for SPAC IPOs, including information about the SPAC structure, planned de-SPAC timeline, risks, and governance. Filings for both SPAC IPOs and de-SPAC transactions must include disclosures about the SPAC sponsor, potential conflicts of interest, and potential shareholder dilution. The final rules also require additional disclosures for de-SPAC transactions, including a disclosure of the board of directors’ determination of whether a specific de-SPAC transaction is advisable and in the best interests of the SPAC and its shareholders (when mandated by the jurisdiction in which the SPAC is organized).

The final rules also introduce regulatory updates, making the target company a co-registrant in a de-SPAC transaction, thereby subjecting target company executives to legal liability for material registration statement errors or omissions. The rules designate any business combination involving a shell company (including, but not limited to, SPACs) as a sale of securities to the shell company’s shareholders. The rules also introduce provisions on the use of projections broadly applicable to all SEC filers as well as requirements on projections and forward-looking statements specific to SPAC transactions.

The final rules provide guidance on identifying underwriters in a de-SPAC transaction and assessing whether a SPAC qualifies as an investment company under the *Investment Company Act of 1940*. They also require redetermination of smaller reporting company status following a de-SPAC transaction and require a 20-day minimum dissemination period for security holder communication materials in connection with such transactions. Certain structured data extensible business reporting language (XBRL) requirements are also included.

The final rules became effective July 1, 2024, with structured data requirements going into effect June 30, 2025.

For more details on the final rules, see the Crowe article “[SEC Final Rules Enhance Disclosures for SPAC IPOs](#).”

### Denial of rulemaking petition on no-admit/no-deny policy

On Jan. 30, 2024, the SEC denied a petition for rulemaking to amend the commission’s “no-admit/no-deny” policy. The policy currently prevents defendants from denying allegations when entering into a settlement with the commission, requiring defendants to either admit the allegations or state that they neither admit nor deny the allegations. SEC Chair [Gensler](#) and Commissioner Hester [Peirce](#) issued statements on the decision.

### Final rules on definition of “dealer”

On Feb. 6, 2024, the SEC adopted [final rules](#) on statutory definitions of a dealer or a government securities dealer – specifically, providing clarification on the qualifier of a person who does not buy or sell securities “as a part of a regular business,” which exempts such persons from registering with the commission under the *Securities Exchange Act of 1934*. Addressing concerns about market participants

that engage in significant liquidity-providing activities but were not previously required to register as dealers due to the exemption, the new rules specify that either of the following activities would entail buying or selling securities as part of a regular business:

- “Regularly expressing trading interest that is at or near the best available prices on both sides of the market for the same security, and that is communicated and represented in a way that makes it accessible to other market participants”
- “Earning revenue primarily from capturing bid-ask spreads, by buying at the bid and selling at the offer, or from capturing any incentives offered by trading venues to liquidity-supplying trading interest”

The final rules became effective April 29, 2024. Affected market participants will have one year from the effective date to comply with dealer registration requirements.

#### **Final amendments to Form PF requirements**

On Feb. 8, 2024, the SEC and the Commodity Futures Trading Commission (CFTC) jointly adopted final amendments to private fund reporting Form PF. The amendments require enhanced reporting from certain SEC-registered investment advisers to private funds, including:

- Enhanced reporting for large hedge fund advisers on qualifying hedge funds with a net asset value of at least \$500 million, including enhanced information on risk and exposure, investment performance by strategy, and financing and investor liquidity
- Enhanced reporting for advisers and their private funds, including enhanced information on assets under management and asset value, withdrawal and redemption rights, inflows and outflows, borrowings and types of creditors, beneficial ownership, and fund performance
- Separate reporting for “each component fund of a master-feeder arrangement and parallel fund structure” and aggregate reporting for trading vehicles used by reporting funds

In addition, the amendments remove the aggregate reporting requirement on hedge funds by large hedge fund advisers.

The final rule becomes effective March 12, 2025.

#### **Final amendments to SEC employee ethical conduct standards**

On Feb. 22, 2024, the SEC and the Office of Government Ethics jointly adopted final amendments to the standards governing ethical conduct of SEC employees. The final amendments:

- Prohibit employees from investing in financial industry sector funds, which concentrate investments in entities regulated by the SEC
- Allow employees to permit financial institutions to automatically transmit information on their transactions and holdings directly to the SEC
- Provide an exemption to pre-clearance, reporting, and holding period requirements for diversified mutual funds that do not concentrate investments in any specific sector, business, industry, state, or foreign country
- Clarify that in addition to traditional IPOs, employees are prohibited from purchasing securities directly listed on an exchange for seven calendar days after the listing effective date

The final rule was effective March 29, 2024.

#### **Final rules on order execution information disclosure**

On March 6, 2024, the SEC adopted final rule amendments to Rule 605, updating the rule’s disclosure requirements for executions of covered orders in national market system stocks. Among other changes, the final amendments:

- Update the scope of reporting entities to include broker-dealers that introduce or carry 100,000 or more customer accounts and require broker-dealers to provide separate reports for any single-dealer platforms they operate
- Include certain orders submitted outside of regular trading hours or submitted with stop prices, and certain short sale orders in the definition of a “covered order”
- Modify order size, order type, and time-to-execution categories and require average time to execution to be reported in increments of a millisecond or finer and calculated on a share-weighted basis
- Require reporting of additional statistical measures of execution quality
- Require all reporting entities to make a summary report publicly available

The amendments were effective June 14, 2024. Entities have 18 months from then to comply with their provisions.

#### **Final amendments to internet investment adviser exemption**

On March 27, 2024, the SEC adopted final amendments to the internet investment adviser exemption under the *Investment Advisers Act of 1940*. The amendments revise qualifying criteria for the exemption, which allows internet-based advisers to register with the SEC. Under the amendments, advisers must provide ongoing investment services to all clients exclusively through an operational, interactive website or similar digital platform throughout the time that they rely on the exemption. The amendments also eliminate the de minimis threshold that previously permitted such advisers to maintain fewer than 15 non-internet-based clients in the preceding 12 months.

The amendments were effective July 8, 2024.

#### **Final amendments on consumer information protections**

On May 16, 2024, the SEC adopted final amendments to Regulation S-P to modernize and enhance protection of nonpublic consumer information obtained by covered financial institutions. Covered institutions include broker-dealers (including funding portals), investment companies, registered investment advisers, and transfer agents.

Among other provisions, the amendments require covered institutions to:

- Maintain written policies about detecting and responding to incidents of unauthorized access to sensitive consumer information
- Establish procedures to notify individuals whose information has been accessed without authorization, or is reasonably likely to have been accessed, as soon as practicable and no more than 30 days after the institution becomes aware of the incident
- Expand the scope of covered consumer information to include nonpublic personal information that a covered institution receives from other financial institutions, in addition to information that it collects directly from its own customers

The final rule was effective Aug. 2, 2024. Compliance dates are based on institution size. Larger entities must comply by December 2025, and smaller entities must comply by June 2026. Larger entities are defined in the final amendments as investment companies with \$1 billion or more in net assets, registered investment advisers with \$1.5 billion or more in assets under management, and broker-dealers and transfer agents not designated as small entities.

#### **Final rule on registered index-linked annuities**

On July 1, 2024, the SEC adopted a final rule on offerings of registered index-linked annuities and registered market value adjustment annuities (collectively, nonvariable annuities). Under the final rule, such offerings must be registered on Form N-4, the form currently used for registered offerings of most variable annuities. The rule also enacts certain changes for Form N-4 specifically applicable to nonvariable annuities, including new tailored disclosures, and makes other changes applicable to all issuers using the form.

The final rule was effective Sept. 23, 2024. Filers must comply with most of the provisions beginning May 1, 2026.

#### **Final rule on venture capital funds threshold for inflation**

On Aug. 21, 2024, the SEC adopted a [final rule](#) implementing an inflation-based amendment to the dollar threshold used to define a “qualifying venture capital fund,” increasing the threshold from \$10 million to \$12 million. The change was made in accordance with the inflation adjustment requirements of the *Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018*. The final rule also allows the SEC to make further adjustments based on the Personal Consumption Expenditures Chain-Type Price Index (PCE Index) every five years.

The final rule was effective Sept. 30, 2024.

#### **Final amendments to N-PORT and N-CEN reporting requirements**

On Aug. 28, 2024, the SEC adopted [final amendments](#) to Forms N-PORT and N-CEN reporting requirements. Among the changes, the amendments increase the frequency of reporting on Form N-PORT, requiring funds to file monthly portfolio holdings data with the SEC within 30 days after month-end. Under the amendments, each monthly report on Form N-PORT will become available to the public within 60 days after the end of the month. In addition, the amendments require open-end funds to disclose on Form N-CEN certain information on any service providers used to fulfill liquidity risk management program requirements.

In conjunction with the form amendments, the final rule also includes guidance on the liquidity rule, primarily related to “the frequency of classifying the liquidity of fund investments, the meaning of ‘cash’ in the rule, and determining and reviewing highly liquid investment minimums.”

The final rule includes a tiered approach, with larger entities required to comply with the Form N-PORT amendments for reports filed on or after Nov. 17, 2025, and smaller entities required to comply for reports filed on or after May 18, 2026. All funds will be required to comply with the Form N-CEN amendments for reports filed on or after Nov. 17, 2025.

#### **Final rule on minimum pricing increment**

On Sept. 18, 2024, the SEC adopted [final amendments](#) to Regulation National Market System (NMS) to “amend the minimum pricing increments for the quoting of certain NMS stocks, reduce the access fee caps, and enhance the transparency of better priced orders.”

The amendments lower the minimum pricing increment to \$0.005 for certain NMS stocks that meet a time-weighted average quoted spread threshold over a specified evaluation period. They also lower access fee caps, setting an access fee cap of \$0.001 per share for NMS stocks priced at \$1 or more, and a cap of 0.1% of quotation price per share for those priced under \$1. Finally, the amendments expedite the timeline by which entities must implement the round lot and odd-lot definitions and mandatory odd-lot information changes introduced by the SEC’s [2020 market data infrastructure rules](#).

The final amendments were effective Dec. 9, 2024. Entities must comply with the amended minimum pricing increment, access fee caps, and round lot definitions by the first business day of November 2025, and they must comply with the odd-lot information requirements by the first business day of May 2026.

#### **Final rule on EDGAR account access and management**

On Sept. 27, 2024, the SEC adopted final rule and form amendments modernizing access and account management of the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. The amendments, collectively referred to as EDGAR Next, will prepare filers for updates to EDGAR.

The final amendments require all filers to designate at least two individuals as authorized EDGAR account administrators (or one, if the filer is an individual or single-member company). Designated account administrators will need to present individual account credentials from Login.gov and complete multifactor authentication to manage the account and maintain filer information on EDGAR. These



individuals may access the beta platform through Dec. 19, 2025, for testing and feedback, including developing optional Application Programming Interface (API) connections.

The new platform will go live and take enrollments starting March 24, 2025. Enrollment closes on Dec. 19, 2025, but filers must comply with the changes by Sept. 15, 2025, in order to continue to file on EDGAR. Additional information on EDGAR Next, including a detailed transition timeline, can be found [here](#).

### **Final rule and amendments on covered clearing agencies**

On Oct. 25, 2024, the SEC adopted [final amendments and a new rule](#) for covered clearing agencies (CCAs), putting into place new requirements related to risk-based margin system policies and procedures for certain CCAs, as well as requirements for a CCA's recovery and orderly wind-down plan.

The final amendments require a CCA that provides central counterparty services to have in place "policies and procedures to establish a risk-based margin system that monitors intraday exposures on an ongoing basis." Under the amendments, a covered CCA's margin methodology must enable it to make intraday margin calls "as frequently as circumstances warrant," such as when designated risk thresholds are surpassed or when markets served "display elevated volatility." A covered CCA also must document when it chooses not to make an intraday margin call in accordance with its written policies and procedures.

The final rule enacts new requirements for the contents of a CCA's recovery and orderly wind-down plan (RWP). New elements required under the final rule include the "identification and use of scenarios, triggers, tools, staffing, and service providers." The final rule also includes requirements for timing, implementation, testing, and board approval of the RWP.

Covered CCAs must file any proposed rule changes regarding revisions to their margin methodologies under Rule 19b-4, or advanced notices, no later than April 17, 2025. The proposed rule changes and advanced notices must be effective by Dec. 15, 2025.

### **Final rule on electronic submission and FOCUS report amendments**

On Dec. 16, 2024, the SEC voted to approve a [final rule](#) to expand electronic filing requirements (and structured data requirements, where applicable) to most forms and other filings required to be submitted to the SEC under the *Securities Exchange Act of 1934*. The requirements apply to certain forms, filings, and submissions made by self-regulatory organizations, registered clearing agencies, and broker-dealers and non-bank security-based swap entities.

The final rules become effective March 24, 2025. Compliance dates vary for specified forms and other elements of the final rule but are phased in beginning the effective date through June 2028.

### **Final amendments to broker-dealer customer reserve requirement computation**

On Dec. 20, 2024, the SEC voted to adopt [new amendments](#) increasing the required frequency of certain reserve-related activities under the broker-dealer customer protection rule. Under the amendments, certain broker-dealers must increase the required frequency of customer reserve computations and related deposits into reserve bank accounts from weekly to daily. The amendments apply to carrying broker-dealers with average total credits equal to or greater than \$500 million, based on a 12-month rolling average. The final rule also includes amendments to the broker-dealer net capital rule and customer protection rule to lower the permitted reduction of aggregate debit items from 3% to 2%.

The final amendments become effective March 14, 2025. Firms may adopt the debit reduction on or after this date but must provide their designated examining authority with at least 30 days written notice. Carrying broker-dealers must comply with the daily frequency requirement no later than six months after meeting the threshold. For example, a firm that meets the threshold as calculated over the 12-month period ending June 30, 2026, would need to perform daily computations beginning no later than Dec. 31, 2026.

## Stayed and awaiting action

### Discretionary stay on climate disclosure rules

On April 4, 2024, the SEC issued a voluntary stay on its climate-related disclosure rules, pending judicial review in the U.S. Court of Appeals for the 8th Circuit. This case consolidates challenges brought through multiple appellate courts following the rules' adoption. In the order, the SEC states that the voluntary stay allows for an "orderly judicial resolution" and avoid regulatory uncertainty.

## Vacated

### Federal appeals court vacates private fund advisers rule

On June 5, 2024, the U.S. Court of Appeals for the 5th Circuit vacated the SEC's final rule on private fund advisers, stating that the SEC exceeded its statutory authority in adopting the final rule. The rule, adopted in August 2023, prohibited private fund advisers from activities that result in preferential treatment to certain investors, and it required registered private fund advisers to issue quarterly statements for investors, among other provisions. On Nov. 8, 2024, the SEC issued technical amendments that formally rescind the final rule.

### Rescission of share repurchase disclosures

On March 19, 2024, the SEC issued technical amendments to reflect a federal court's vacatur of share repurchase disclosure rules that the commission initially adopted on May 3, 2023.

## Rulemaking activity – proposed rules

### Proposed rule on customer identification programs for RIAs and ERAs

On May 13, 2024, the SEC and the Financial Crimes Enforcement Network (FinCEN) jointly issued a proposed rule to subject registered investment advisers (RIAs) and exempt reporting advisers (ERAs) to customer identification program (CIP) requirements. Generally consistent with existing requirements for other financial institutions, the proposal would require RIAs and ERAs to establish and maintain written CIPs to verify the identities of their customers (to a reasonable extent), obtain certain information on each customer, and maintain records on the information used to verify customer identity. The proposed rule is issued in tandem with a previous FinCEN proposal to designate RIAs and ERAs as "financial institutions" under the *Bank Secrecy Act*, which would subject them to reporting obligations related to anti-money laundering and countering terrorism.

Comments closed July 22, 2024.

### Proposed joint data standards

On Aug. 2, 2024, the SEC, jointly with several other financial regulatory agencies, issued for public comment proposed data standards in accordance with the *Financial Data Transparency Act of 2022*. If adopted, they would implement uniform data identifiers and principles-based data transmission and structuring standards with the aim of promoting greater "interoperability of financial regulatory data across the agencies." Common data identifiers would be established for characteristics such as entity, geographic location, date, and certain products and currencies.

These identifiers are required to be "open license." For example, the agencies designate the International Organization for Standardization (ISO) 17442-1:2020, Financial Services – Legal Entity Identifier (LEI) as the proposed legal entity identifier.

SEC Chair Gensler and Commissioners Peirce and Uyeda issued statements on the proposal and called for stakeholder feedback.

Comments closed on Oct. 21, 2024.

## From the Division of Corporation Finance

### CorpFin director remarks on the state of disclosure review

On June 24, 2024, CorpFin Director Gerding issued a [statement](#) detailing his remarks at the Practising Law Institute's "The SEC Speaks in 2024" conference on CorpFin's annual disclosure review for 2023 and priorities for 2024.

On the 2023 disclosure review, Gerding highlighted top areas of comment including China-related matters, non-GAAP disclosures, management's discussion and analysis (MD&A), revenue recognition, and financial statement presentation. Emerging areas of focus included market disruptions in the banking industry, cybersecurity risks, the impact of inflation, and disclosure related to newly adopted rules, such as pay versus performance. In addition, CorpFin continues to monitor China-based companies – those with operations predominantly based in the People's Republic of China.

Summarizing CorpFin's priorities for 2024, Gerding emphasized the division's focus on disclosures related to recently issued accounting pronouncements and areas involving management's judgment, such as segment reporting (effective for annual periods beginning after Dec. 15, 2023), non-GAAP regulations and rules, critical accounting estimates disclosure in MD&A, and disclosures related to supplier finance programs. Gerding also predicted a continued focus on disclosures related to China-based companies, inflation, and interest rate and liquidity risk.

In addition, Gerding addressed the following disclosure priorities:

- **Artificial intelligence (AI).** Companies should clearly describe their definition of AI, provide specific and tailored disclosures on the material risks and reasonably likely impact of AI on the company and the company's current or proposed use, and have a reasonable basis for its claims.
- **China-based companies.** Companies should provide "more prominent, specific, and tailored disclosures about China-specific matters." In line with past "Dear Issuer" letters, the division continues to focus on issues such as variable interest entity structure, financial reporting reliability, the regulatory environment in China, and corporate governance matters for such companies.
- **Commercial real estate (CRE).** Given the continued risk associated with the CRE sector and real estate investment trusts (REITs), companies should evaluate where additional detail could be disclosed to further investor understanding of material risks and mitigating steps taken. CorpFin staff will focus on matters such as how banks disclose disaggregation of loan portfolio characteristics and how office and retail REITs describe default risks, liquidity issues, and other key information. Companies also should remain mindful of the potential impacts of the CRE environment even outside of its impacts on banks and REITs.
- **Recently adopted SEC rules.** Gerding commented on CorpFin's efforts to monitor and further improve disclosures related to recently adopted rules, including cybersecurity incidents, clawbacks, pay versus performance, universal proxy, and beneficial ownership reporting.

Other remarks from "The SEC Speaks in 2024" conference, held April 2-3, 2024, addressing the role of the SEC, rulemaking practices, recent rulemaking, and enforcement matters were shared in the April 2024 issue of the [Crowe Financial Institutions Executive Briefing](#).

### Cybersecurity incident disclosures

On May 21, 2024, CorpFin Director Gerding issued a [statement](#) on the SEC's rule requiring disclosure of material cybersecurity incidents on Item 1.05 of Form 8-K, encouraging companies that elect to make voluntary disclosures – for example, of incidents that are still undergoing assessment or incidents that have been determined immaterial – to do so on a different item of Form 8-K (such as Item 8.01) to avoid confusion or dilution of material disclosures required under Item 1.05. If a company does voluntarily disclose a cybersecurity incident under Item 8.01 but subsequently determines that the incident is material, it must still fully disclose the incident under Item 1.05.

Gerding emphasized that the materiality of a cybersecurity incident should be based on both qualitative and quantitative factors, including the impact on financial condition and results of operation, reputation, customer and vendor relationships, competitiveness, and possible litigation or regulatory actions that could arise from the incident.

On June 20, 2024, Gerding issued a [statement](#) on private disclosures of information on cybersecurity incidents outside of Item 1.05 of Form 8-K. Gerding reminded issuers that, while a recent SEC rule requires disclosure of material cybersecurity incidents, the rule does not preclude companies from privately discussing additional information about such incidents with other parties.

Acknowledging that companies could have concerns that such private discussions could implicate Regulation FD – which “requires public disclosure of any material nonpublic information that has been selectively disclosed to securities market professionals or shareholders” – Gerding emphasized that Regulation FD’s application to communications around cybersecurity incidents is consistent with other public company communications. Therefore, exclusions from Regulation FD could similarly apply – for example, if material nonpublic information is shared with an individual who has a duty of trust or confidence to the issuer, or if the other party expressly agrees to maintain the information in confidence.

On June 24, 2024, CorpFin issued [updated](#) compliance and disclosure interpretations (C&DIs) on cybersecurity matters reported in Form 8-K.

### **New C&DIs on asset-backed securities**

On July 31, 2024, CorpFin published [updates](#) to C&DIs on asset-backed securities. The revised C&DIs:

- Clarify that access to, or receipt of, information publicly available on EDGAR would not in itself result in an affiliate or subsidiary being classified as a securitization participant
- Describe the appropriate registration and periodic reporting forms for public utility securitizations structured as standalone trusts and meeting the definition of an “asset-backed security,” as well as those structured as “series trusts”
- Clarify that the “discrete pool” requirement under Item 1101(c)(1) of Regulation AB does not preclude a security that is supported by the cash flow of a single asset

## **From the Division of Enforcement**

### **Enforcement director speaks on cooperating with investigations**

On May 23, 2024, Division of Enforcement Director Grewal [spoke](#) on the benefits of cooperation with SEC investigations, stating that the division might recommend reduced or no charges or civil penalties to reward meaningful cooperation. Grewal described five principles of effective cooperation:

1. **Self-policing prior to SEC involvement.** Entities should encourage a culture of compliance and update risk awareness and compliance policies to keep up with technological advances.
2. **Proactive self-reporting.** Entities are encouraged to report as soon as they become aware of a potential issue; they don’t have to wait until they have reached a full conclusion. Proactive reporting can signal strong self-policing and an effective compliance culture, and it could help build credibility with SEC staff.
3. **Proactive remediation.** Meaningful cooperation credit can be given when an entity makes strong proactive remediation efforts prior to an enforcement action, even if the entity did not self-report.
4. **Cooperation that goes “above and beyond.”** Meaningful cooperation goes beyond bare minimum compliance efforts. For example, entities and their legal counsel can proactively call attention to relevant materials not included in initial requests, or they can aid the enforcement team in contacting hard-to-reach witnesses.
5. **Early, frequent, and purposeful collaboration.** Establishing open communication with the enforcement team is crucial to setting the foundations for meaningful cooperation.

## Enforcement results for fiscal year 2024

On Nov. 22, 2024, the SEC released an [overview](#) of enforcement actions and results in fiscal year 2024. The agency filed 583 enforcement actions and obtained orders for \$8.2 billion in financial remedies. The report includes notable cases and enforcement themes as well as statistics for the fiscal year.

## From the Division of Examinations

### Fiscal year 2025 examination priorities

On Oct. 21, 2024, the Division of Examinations [published](#) its examination priorities for fiscal year 2025. These include evergreen core priorities, such as disclosures and governance practices, as well as updated areas of focus, such as “compliance with new rules, the use of emerging technologies, and the soundness of controls intended to protect investor information, records, and assets.”

## Statements and speeches from SEC leadership

Following are some key SEC commissioner and staff messages on topics of interest.

### On audit quality and auditor responsibilities

#### Chief accountant statement on commitment to professional skepticism and audit quality

On Feb. 5, 2024, SEC Chief Accountant Munter issued a [statement](#) on the importance of professional skepticism and the key roles of auditors and audit committees in conducting high-quality audits. Citing rising PCAOB inspection deficiency rates, Munter urged auditors to be wary of potential pressures on management and other heightened fraud risks amid an evolving economic environment. He said that to help ensure high-quality audits, auditors should engage proactively with the audit committee, involve specialists when further expertise is necessary, train engagement teams to be aware of bias, and empower staff to exercise professional skepticism. He added that it is the auditor’s responsibility to wield such skepticism in assessing management’s judgment and in collecting and evaluating audit evidence.

Munter also spoke on the role of the audit committee, stating that the audit committee should consider a firm’s inspection results and other quality metrics and measures when appointing an auditor. The audit committee should engage in regular dialogue with the auditor, asking questions about the partner’s involvement and the team’s requisite experience and knowledge. Munter noted that both auditors and audit committees should remember their responsibility to protect the interests of investors rather than prioritize the interests of management.

#### Chief accountant statement on tone at the top at audit firms

On May 15, 2024, Munter issued a [statement](#) on the responsibility of audit firm leadership to foster a healthy tone at the top. Munter emphasized the key role of the tone at the top in establishing firm culture, which in turn supports audit quality – for example, by empowering auditors to exercise professional skepticism and by serving as the foundation for an effective quality control system. Conversely, a weak firm culture could result in ethical misconduct by firm employees that undermines public trust in auditors. Munter stated that seeking investment from third parties that are not subject to auditor independence and ethics requirements, such as private equity firms, could create additional risks.

Munter highlighted the importance of leading by example, stating that audit firm leadership should:

- Take care that the firm’s actions align with its written code of conduct or ethics
- Incorporate ethics and character as key considerations in hiring, promotion, and compensation decisions to advance firm professionals who act ethically and serve as a positive example for less experienced staff
- Encourage candor and transparency, empowering employees at all levels to provide confidential feedback on the firm’s culture and report misconduct without fear of retaliation
- Conduct business strategy and express communications to staff that reflect the importance of audit quality and compliance with professional standards

## On disclosures

### Enforcement director on ESG disclosures and enforcement

On Feb. 23, 2024, Director Grewal [spoke](#) to the Ohio State Law Journal's annual symposium about the SEC's role in encouraging public trust in institutions and markets by administering consistent and meaningful enforcement actions and by promoting proactive compliance. Highlighting investor interest in environmental, social, and governance (ESG) matters, Grewal emphasized that the SEC is "merit neutral" and applies the same principles to all information disclosures, charging companies that mislead investors or that downplay or fail to disclose information that is important to investors. Grewal cited recent examples of SEC charges, including charges against materially misleading and false ESG disclosures and misleading marketing claims for ESG-branded investment products.

### Chair on mandatory disclosures

On March 22, 2024, Chair Gensler [made remarks](#) before the Columbia Law School conference honoring Professor John C. Coffee. Gensler shared his belief in the merits of mandatory disclosures, describing information on securities as a "public good." Although they impose additional burdens on registrants, Gensler stated that such disclosures are vital to provide investors with meaningful information given the "imperfect alignment" of management and shareholder interests.

Gensler highlighted the SEC's recent activity regarding mandatory disclosures – including climate, cyber risk, and executive compensation – and drew parallels to past rulemaking that Gensler described as sparking controversy at the time of adoption but integral to the current disclosure regime.

### Chair on data

On May 9, 2024, Chair Gensler [remarked](#) on data as a public good, including through issuer disclosure, disclosure by market participants, transparency of markets, and the SEC's role in economic research.

## Artificial intelligence and emerging technologies

### Statements on AI washing

On Feb. 13, 2024, Chair Gensler spoke on AI washing and other inherent AI risks in prepared [remarks](#) before the Yale Law School.

On March 18, 2024, the SEC [issued](#) a short informational [video](#) warning against the dissemination of false or misleading claims on the use of AI, also known as AI washing. In the video, Chair Gensler stated that investment advisers, broker-dealers, and public companies that make claims regarding the use of AI models in their investment strategies or their business must ensure that these claims are truthful and have a reasonable basis, or they risk violating securities laws.

On Sept. 4, 2024, Gensler issued a [statement](#) on AI washing, commenting on the application of fundamental securities laws to AI-related disclosures by SEC registrants. Any prospective claims related to AI must have a reasonable basis, and discussions of the related risks should not be "boilerplate." Additionally, registrants should consider whether discussions on AI on earnings calls or with the registrant's board of directors could indicate that AI matters are material and therefore may be required to be publicly disclosed.

Registrants that make AI-related disclosures may need to furnish additional disclosures on their definition of AI, including details of its use, and whether it is developed internally or provided by an external party. Gensler also noted that investment advisers and broker-dealers should not make misleading statements to the public as to the nature or extent of their use of AI.

### Enforcement director on the use of AI

On April 15, 2024, Division of Enforcement Director Grewal [spoke](#) at the spring conference held by the Program on Corporate Compliance and Enforcement of New York University School of Law. Focusing on recent market interest in the use of AI, Grewal stated that regulators and compliance professionals should be wary when investor interest in a particular technology or opportunity creates incentives for companies

to misrepresent their strategy or activities. Just as with claims related to ESG activities, a company's AI-related disclosures must not be materially false or misleading.

Grewal emphasized the importance of proactive compliance through continuous education on AI risk, developments, and enforcement; engagement with personnel throughout the company to understand the use and impact of AI; and execution of company-specific AI policies, procedures, and internal controls. Grewal alluded to individual liability, drawing parallels to the agency's enforcement approach in cybersecurity disclosure failures, and emphasized that the agency considers good faith efforts in determining its enforcement approach.

#### **Chief accountant on safeguarding crypto assets**

On Sept. 9, 2024, Chief Accountant Munter spoke at the AICPA & CIMA Conference on Banks & Savings Institutions, providing observations from recent staff consultations on Staff Accounting Bulletin (SAB) No. 121, on the required accounting for an entity that has obligations to safeguard crypto assets for its platform users. While emphasizing that the staff's views expressed in SAB 121 have not changed, Munter detailed specific fact patterns that could indicate that an entity's arrangement does not fall within the scope of SAB 121 and therefore that the entity should not recognize a balance sheet liability associated with its safeguarding obligation.

#### **Commissioner on regulatory environment and innovation**

On Nov. 1, 2024, Commissioner Peirce spoke at the Wharton School of Business FinTech lecture series on the role of government in creating a regulatory environment that supports innovation and investment, and she warned against the risks of excessive regulation stifling the advancement of the financial markets. Peirce criticized the SEC's recent enforcement surrounding the crypto markets, asserting that the SEC has failed to provide a viable path to register with the SEC and then disciplined entities for failing to register. Peirce promoted the creation of a "micro-innovation sandbox" to allow entities to develop pioneering projects – citing the need for innovation in tokenization and other crypto-related projects, as well as other arenas such as mutual funds and exchange-traded funds – while maintaining designated guardrails to protect the financial markets.

### **On other matters**

#### **Commissioner on private offerings**

On Jan. 22, 2024, Commissioner Uyeda delivered views on the current regulatory regime for private offerings, covering topics such as the definition of accredited investor, a sliding scale approach to investing in private companies, and general considerations for private markets.

#### **Chief accountant on the FASB's updated conceptual framework**

On Aug. 12, 2024, Chief Accountant Munter issued a statement on recent comprehensive updates to the FASB's Conceptual Framework for Financial Reporting. This framework of financial reporting objectives and concepts guides the FASB's agenda prioritization and decision-making in evaluating potential projects and new accounting pronouncements. Munter commented his belief that the updated framework could not only further the FASB's ability to develop "high-quality accounting standards coupled with robust disclosures" but also help stakeholders to better understand FASB decisions and provide more meaningful, applicable feedback.

#### **Commissioner on private credit**

On Oct. 15, 2024, Commissioner Peirce spoke on private credit before the Securities Industry and Financial Markets Association (SIFMA) Private Credit Forum. Peirce acknowledged that private credit "deserves scrutiny from market participants, academics, and regulators" and should be carefully and continuously monitored as a growing sector of the market. At the same time, she asserted that many regulatory concerns are appropriately mitigated through existing lender incentives that drive strong due diligence, credit protection, and portfolio diversification as well as through the long-term nature of private credit lending. Peirce described the existence of the private credit market outside of the prudentially regulated banking system as a "strength" and cautioned against overregulation, noting that "invoking systemic risk to regulate private credit" in the same fashion as banks would impede both the flexibility of

the sector and small-business access to capital, and it “could make future financial contagion more, not less, likely” by homogenizing the market.

### **Chair on the U.S. capital markets**

On Oct. 22, 2024, Chair Gensler addressed the importance of the U.S. capital markets, including money instruments, Treasury markets, credit markets, private funds, and equity markets. On Dec. 5, 2024, he provided further remarks on the capital markets and some of his accomplishments over the past four years.

## **Statements from the SEC Speaks conference**

### **Commissioner statements**

Several commissioners and directors made remarks before “The SEC Speaks in 2024” conference.

Chair Gensler spoke on the history of the SEC, emphasizing the agency’s foundational role in promoting the “key public goods” of greater trust and greater efficiency and competition in the capital markets through oversight of exchanges, broker-dealers, and securities trading in secondary markets. Gensler stated that these public goods, which encourage greater capital formation and liquidity, could not be achieved based on private incentives alone and must be promoted through enforcement. He summarized historical and present-day rulemaking activity covering clearance and settlement, exchanges and alternative trading systems, the National Market System, best execution, and order competition and execution quality.

Commissioner Peirce expressed concerns regarding current rulemaking practices, which she described as consisting of “very broad proposals, unreasonably short public comment periods, pared back final rules with substantial elements on which the public has not commented,” and lack of meaningful post-adoption engagement with the public. Peirce issued a call to action outlining priorities for the SEC, staff, and market participants, whom she encouraged to be persistent and intentional in engaging with the agency. She also criticized SAB 121, referencing her own past remarks on the “secret garden” of practice-defining SEC staff guidance.

Commissioner Uyeda also remarked on recent rulemaking, voicing criticism of rules that potentially mandate disclosures that are not financially material to investors and therefore fall outside the commission’s authority to regulate. Referencing past regulations on conflict minerals, Uyeda warned against the danger of enacting new disclosures that effect unintended consequences – for example, for the climate rule, the potential to inadvertently increase outsourcing or discourage commitments to emissions reduction targets to avoid triggering disclosure requirements.

### **From the Division of Enforcement**

Division of Enforcement Director Grewal spoke on enforcement issues, focusing on crypto enforcement actions and addressing recent criticism of the division. Grewal described the enforcement approach as “consistent, principled, and tethered to the federal securities laws and legal precedent,” emphasizing that the SEC transparently and consistently applies the well-established “Howey test” to evaluate whether a certain crypto product is a security. Condemning the “predatory inclusion” tactics used by certain crypto entities and underlining the “devastating” impacts to victims of past cases of unlawful tactics and schemes, Grewal stressed the importance of the division’s work to protect the investing public. Grewal concluded by stating that the division must prioritize maintaining public trust by acknowledging its mistakes and embrace any scrutiny it faces.

Following Grewal, Division of Enforcement Deputy Director Wadhwa highlighted the division’s work in fiscal year 2023 and addressed its recent actions and approach on two ongoing enforcement initiatives: the recordkeeping initiative and the amended marketing rule initiative. Wadhwa summarized the factors considered to determine the size of the penalty levied against each investment adviser, broker-dealer, or credit ratings agency for recordkeeping violations. Such factors include the size of the firm, the scope of violations, the historical precedence, and the firm’s proactive compliance efforts. Wadhwa emphasized that self-reporting is the “most significant factor in terms of moving the needle on penalties” but stated that a firm that does not self-report may still “receive credit” based on its cooperation with an investigation. In



addition, Wadhwa noted that assets under management, regulatory history, promptness of remediation, and the need to “send strong messages of accountability and deterrence” are all considered when assessing penalties for violations of the amended marketing rule and that, as with all cases, self-reporting and cooperation are significant factors.

### **From CorpFin**

At the conference, senior officials from CorpFin spoke on recent rules – highlighting key aspects of the SEC rules on climate disclosures, SPAC transactions, conflicts of interest in certain securitizations, and others – and division priorities. Deputy Director LaMothe enumerated three primary disclosure initiatives in the year ahead: incorporating new rulemaking into disclosure review, proactively addressing emerging issues, and strategically engaging with stakeholders.

Throughout panel discussions, division staff also highlighted disclosure priorities and emerging risks in 2024, referencing market disruptions in banking – including interest rate risk, liquidity risk, and the continued impacts of inflation – as well as AI, exposure and changes in the CRE market, accounting matters requiring the use of judgment, and the implementation of recent SEC rules.

Observing rising rates of AI-related disclosures by large accelerated filers, staff urged registrants to consider specific facts and circumstances when disclosing the use and development of AI and material AI-related risk. Registrants also should critically consider their basis for AI claims when discussing related opportunities and risks, as well as the nature and extent of the board of directors’ role in AI oversight.

In light of continued challenges in the CRE market, staff noted that the division will, when applicable, expect more detailed and granular disclosures to address these risks – for example, disaggregation of loan portfolio by relevant risk characteristics, greater granularity in disclosing metrics such as loan-to-value and occupancy rates, and more detailed discussion of policies, procedures, and other steps taken by management to manage portfolio risk.

## **Small-business matters**

### **Annual small-business forum**

From April 16-18, 2024, the SEC held its [43rd Annual Small Business Forum](#), with sessions focused on successes achieved and challenges faced by small-business founders and funders; investing in early-stage companies and building ecosystems; and lessons learned by small-cap companies on going and staying public. Chair [Gensler](#) and Commissioners [Uyeda](#), [Peirce](#), and [Lizárraga](#) made remarks.

### **Small-business policy recommendations**

On Sept. 19, 2024, the SEC [published](#) a report based on its 43rd Annual Small Business Forum, held in April. The report includes highlights from panel discussions on early-stage founder and funder experiences; investing in early-stage companies; and going and staying public as a small-cap company. It also summarizes policy recommendations developed by participants as well as the SEC’s response to each recommendation.

### **Annual report on small business capital formation**

On Dec. 12, 2024, the Office of the Advocate for Small Business Capital Formation [issued](#) its annual report, providing analysis on capital formation, policy recommendations, and a summary of activities of the office and the SEC’s Small Business Capital Formation Advisory Committee in 2024. Policy recommendations included proposals for continuing and improving SEC engagement with small businesses and their investors; supporting private/public collaborations and mentorship; exploring Regulation Crowdfunding initiatives; providing more defined pathways to establish networks with sophisticated investors; diversifying capital allocators and decision-makers, and more.

## Interpretations, guides, and other matters

### Report on registered fund statistics

On April 24, 2024, the SEC staff [published](#) its first [report](#) on registered fund statistics based on data from SEC-registered funds that file on Form N-PORT. The report is published quarterly and includes both public and nonpublic data on an aggregated basis, including trends related to portfolio holdings, flows and returns, interest rate risk, and other exposures across registered funds.

### Statement on applying IFRS 19 in SEC filings

On May 17, 2024, Chief Accountant Munter and CorpFin Director Gerding issued a [joint statement](#) on the application of International Financial Reporting Standard (IFRS) 19, “Subsidiaries Without Public Accountability: Disclosures,” which permits reduced financial statement disclosures for certain subsidiaries of eligible reporting companies that do not have public accountability. The statement addressed scenarios in which financial statements that apply IFRS 19 are included in an SEC filing. Munter and Gerding stated that entities in this scenario likely will be required to make additional disclosures due to investor use of those financials in the SEC filing.

### Statement on FICC registered fund margin framework

On Nov. 22, 2024, the Division of Investment Management (IM) released a [statement](#) on recently approved amendments to the Fixed Income Clearing Corporation (FICC) rules on separate calculation, collection, and holding of margin requirements for proprietary transactions of direct participants and indirect participant transactions. The IM staff states its position that the amended rules “would allow a registered fund’s margin to be posted at FICC consistent with the FICC registered fund margin framework” and notes that its “view applies equally to tri-party and bilateral repurchase agreement transactions.”

### Rate advisories for 2024

On April 17, 2024, the SEC [announced](#) its second Section 31 transaction fee rate increase this year, raising the fee rate payable to the SEC by self-regulatory organizations to \$27.80 per million dollars for covered sales, up from the existing rate of \$8 per million dollars. The new rate took effect for covered sales occurring on charge dates on or after May 22, 2024.

On Aug. 20, 2024, the SEC [announced](#) a new Section 6(b) filing fee rate, raising the fee from \$147.60 per million dollars to \$153.10 per million dollars. This fee applies to public companies and other issuers registering their securities with the SEC. The new rate took effect for covered registrations Oct. 1, 2024.

## From the PCAOB

### PCAOB annual report and strategic plan

#### Annual report

The PCAOB published its “[2023 Annual Report](#)” on March 28, 2024. The report summarizes the PCAOB’s operations and financial results for fiscal year 2023 and highlights accomplishments and developments for the year for each of the PCAOB’s four strategic goals. These goals include modernizing standards, enhancing inspections, strengthening enforcement, and improving organizational effectiveness. Additionally, the report includes audited financial statements, a financial review, and management’s report on internal control over financial reporting (ICFR).

### Standard-setting and research

#### Updated standard-setting and rulemaking agendas

The PCAOB on Nov. 4, 2024, [posted](#) its updated agendas for its standard-setting and rulemaking. Chair Erica Williams said “the PCAOB continues to achieve significant results and advance our

investor-protection mission in 2024 by modernizing our standards and rules that have fallen out of date after decades without substantial revision.”

#### **Final standard on quality control standard**

On May 13, 2024, the PCAOB adopted a new quality control standard that requires all PCAOB-registered firms to identify their risks and design a quality control system that includes policies and procedures to guard against those risks. Under the standard, firms would be required to annually evaluate their quality control system and report the results of their evaluation to the PCAOB on a specific form, which would be certified by key firm personnel to reinforce individual accountability. Additionally, firms that annually audit more than 100 issuers would be required to establish an external oversight function for the quality control system. Responsibilities of the external function would include evaluating the significant judgments made and the related conclusions reached by the firm when evaluating and reporting on the effectiveness of its quality control system.

The new standard and related amendments were effective Dec. 15, 2025.

#### **Final standard on general responsibilities of the auditor**

On May 13, 2024, the PCAOB adopted auditing standard (AS) 1000, “General Responsibilities of the Auditor in Conducting an Audit,” which addresses the general principles and responsibilities of the auditor, including due professional care, professional skepticism, competence, and professional judgment. The new standard and related amendments provide clarification of the general principles and responsibilities of auditors and the auditor’s responsibility to evaluate whether the financial statements are presented fairly. They address the engagement partner’s due professional care responsibilities by adding specificity to certain audit performance principles detailed in the standards. In addition, they note that an auditor’s professional skepticism extends to other information that is obtained to comply with PCAOB standards and rules. The new standard also shortens the documentation completion date by reducing the maximum period for the auditor to assemble a complete and final set of audit documentation from 45 days to 14 days.

The new standard applies to all audits conducted under PCAOB standards.

The new standard is effective for audits of financial statements for fiscal years beginning on or after Dec. 15, 2024. However, for certain firms, the documentation completion date will take effect for audits of financial statements for fiscal years beginning on or after Dec. 15, 2025.

#### **Final standards on auditor responsibilities in technology-assisted analysis**

The PCAOB on June 12, 2024, adopted amendments to PCAOB AS 1105, “Audit Evidence,” and AS 2301, “The Auditor’s Responses to the Risks of Material Misstatement.” These amendments address aspects of audit procedures that involve technology-assisted analysis of information in electronic form and the responsibilities auditors have when performing procedures using such analysis.

The changes specifically address the auditor’s responsibilities in the following areas:

- Using reliable information in audit procedures
- Using audit evidence for multiple purposes
- Performing tests of details

The amendments are effective for audits of financial statements for fiscal years beginning on or after Dec. 15, 2025. On June 26, 2024, the SEC posted these amendments for comment with a due date of July 23, 2024.

#### **Final rule on contributory liability**

The PCAOB on June 12, 2024, approved an amendment to PCAOB Rule 3502, which addresses the liability of an associated person of a registered public accounting firm who contributes to that firm’s violations of the laws, rules, and standards that the PCAOB enforces. The amendment, which renamed the rule from “Responsibility Not to Knowingly or Recklessly Contribute to Violations” to “Governing Contributory Liability,” allows the PCAOB to hold associated persons accountable when they negligently,

directly, and substantially contribute to firms' violations. The amendment more closely aligns the rule with the standard of reasonable care auditors are already required to exercise.

The amendment was effective Oct. 19, 2024.

#### **Final rule on audit firm registration information**

On Nov. 14, 2024, the PCAOB adopted an amendment to its rules regarding audit firm withdrawals from registration. The amendment establishes a new procedural mechanism that allows the PCAOB to remove a firm's registration under specific circumstances.

The amendment is effective for annual reports and annual fees that are due in 2025, which means a registered firm neglecting to file an annual report and to pay an annual fee in 2025 and 2026 could have its registration deemed withdrawn beginning in the fall of 2026.

#### **Final new requirements for firm and engagement metrics and firm reporting**

On Nov. 21, 2024, the PCAOB adopted new requirements regarding public reporting of standardized firm and engagement metrics as well as a set of amendments related to audit firm reporting. Under the new requirements, public accounting firms registered with the PCAOB that audit one or more issuers that qualify as an accelerated filer or large accelerated filer will be required to publicly report specified metrics relating to such audits and their audit practices on an annual basis. Regarding firm reporting, the amendments improve the PCAOB's annual and special reporting requirements by providing more complete, standardized, and timely information by registered firms. The enhanced reporting covers financial information, governance information, network relationships, special reporting, cybersecurity, and quality control policies and procedures.

The amendments and new requirements incorporate changes resulting from feedback received on the April 2024 proposals. The requirements will be phased in and remain subject to approval by the SEC. The SEC extended the comment periods on these rules until Feb. 4, 2025.

#### **Proposed amendments to NOCLAR**

On March 6, 2024, the PCAOB held a public roundtable discussion covering the proposed amendments to PCAOB auditing standards related to a company's noncompliance with laws and regulations (NOCLAR). Participants in the six-hour discussion comprised a cross-section of stakeholders including auditors, investors, lawyers, and academics. Three different panel discussions addressed the following topics:

- Identification
  - Threshold for identification of laws and regulations
  - Direct illegal acts versus indirect illegal acts
- Considerations for an auditor's assessment of noncompliance and other legal considerations
  - Competence to assess relevant noncompliance with laws and regulations
  - Concerns regarding potential waiver of attorney-client privilege
- Economic impacts
  - Benefits and costs of proposal

Panelists did not reach a consensus during the roundtable, and the comment period on the proposal was reopened through March 18, 2024.

The PCAOB was expected to finalize in 2024 its proposed standard regarding an auditor's consideration of possible noncompliance with laws and regulations including AS2405, "Illegal Acts by Clients." On Nov. 18, 2024, the PCAOB updated its standard-setting agenda to change the next board action from "adoption" to "TBD pending analysis of comment letters on June 6, 2023 proposal and March 6, 2024 Roundtable, and responses to targeted inquiries of firms about their approach relating to noncompliance with laws and regulations or illegal acts." The anticipated timing was changed from 2024 to 2025.

### **Proposed substantive analytical procedures standard**

On June 12, 2024, the PCAOB issued for public comment a proposal to replace the current auditing standard related to an auditor's use of substantive analytical procedures with a new standard: AS 2305, "Designing and Performing Substantive Analytical Procedures." The proposed standard would clarify the auditor's responsibilities when designing and performing substantive analytical procedures, aimed at increasing the likelihood that the auditor will obtain relevant and reliable audit evidence. The proposal includes specific requirements regarding risk assessment and audit evidence, removes duplicative provisions, and reorganizes the standard so it is easier to understand.

Comments were due Aug. 12, 2024.

## **Audit committees and other matters of interest**

### **Observations on auditor's use of data and reports**

On April 18, 2024, the PCAOB released a staff report, "[Spotlight: Inspection Observations Related to Auditor Use of Data and Reports](#)," which highlights recent staff observations on the use of information produced by the company (IPC) and information from external sources in the audit. The report provides examples of common audit deficiencies and good practices as well as reminders for auditors related to testing the accuracy and completeness of IPC and information from external sources and evaluating the relevance and reliability of audit evidence.

### **Report linking root cause analysis and audit quality**

The PCAOB on April 30, 2024, issued a staff report, "[Spotlight: Root Cause Analysis – An Effective Practice To Drive Audit Quality](#)," identifying root cause analysis as an effective practice for firms to drive audit quality. The report strongly encourages firms to assess the underlying root causes of a deficiency so that the deficiency can be effectively addressed and ultimately remediated and eliminated.

In addition, the report addresses general considerations related to root cause analysis, observations about root cause analysis from PCAOB inspections, and questions for audit firms to consider. The report identifies the key characteristics of a well-designed root cause analysis process: a dedicated team, guidance and training, data gathering and tools, scope, level of analysis, prioritization, conclusions, and monitoring remedial actions and reporting.

Audit committees and others charged with governance might consider an audit firm's root cause information useful as they discuss past inspection deficiencies, the causes of those deficiencies, corrective actions taken to address identified deficiencies, and preventive measures a firm has taken to improve its audit quality going forward.

### **CRE auditing considerations**

On May 6, 2024, the PCAOB issued a new staff report, "[Spotlight: Auditing Considerations Related to Commercial Real Estate](#)," on the current industry environment, audit and interim review considerations related to CRE, communications with audit committees, and evaluation of the results of the audit. The report includes a series of questions that auditors might consider when identifying and assessing risks, including fraud risks. The report also has reminders related to asset impairment and allowance for credit losses as well as going concern.

### **Conversations with audit committee chairs**

On June 11, 2024, the PCAOB released "[Spotlight: 2023 Conversations With Audit Committee Chairs](#)," summarizing conversations with 230 audit committee chairs. The report presents high-level observations and key takeaways related to current economic and audit workforce environments. It also touches on significant discussions with auditors, monitoring quality control systems, and independence of the company's auditors. The report includes PCAOB resources for audit committees.

### **Outreach findings on use of GenAI**

On July 22, 2024, the PCAOB "[Spotlight: Staff Update on Outreach Activities Related to the Integration of Generative Artificial Intelligence in Audits and Financial Reporting](#)." It summarizes a survey of audit firms and preparers on the use of generative AI (GenAI) in audits and financial reporting and finds that

integration is still in early stages but rapidly evolving. Audit firms and preparers alike said that they are exploring ways to integrate GenAI-enabled tools in auditing and financial reporting.

Audit firms are using GenAI primarily in administrative and research activities but see potential for using it in planning and performing audits. Observations touched on investment in GenAI, limitations specifically related to data privacy and data security concerns, supervision and review, risks related to input and output, other emerging risks, and the importance of firm policies and procedures related to GenAI. Additionally, the survey indicated that preparers are exploring how they can use GenAI throughout their operations and customer-facing areas.

### **Investor bulletin on audit committee and independent auditor dialogue**

On Oct. 25, 2024, the PCAOB Office of the Investor Advocate released an investor bulletin, “[Audit Committee and Independent Auditor Dialogue](#).” It lists publications that provide investors resources for engaging with audit committees regarding their discussions with their independent auditors and reminds audit committees of the available resources to address interactions with their auditors. To fulfill their oversight responsibilities, it is important that audit committees engage in effective dialogue with their auditors and ask relevant questions throughout the audit.

Among other resources, the bulletin highlights these [staff publications](#):

- “Spotlight: 2023 Conversations With Audit Committee Chairs”
- “Spotlight: Staff Priorities for 2024 Inspections and Interactions With Audit Committees”
- “Spotlight: Audit Committee Resource”
- “Spotlight: Staff Update on 2023 Inspection Activities”

Each of these publications provides reminders and suggestions to consider as reference points for outreach and discussion with independent auditors.

### **Auditor communications about illegal acts**

The PCAOB on Nov. 12, 2024, published “[Spotlight: Auditor Responsibilities for Detecting, Evaluating, and Making Communications About Illegal Acts](#).” It emphasizes the importance of auditors’ procedures in identifying possible illegal acts, due to the significant impact such acts can have on financial statements. It outlines the responsibilities of auditors under federal securities laws and PCAOB standards, which include detection and risk assessment. When auditors become aware of a possible illegal act, PCAOB standards require them to understand the nature and circumstances of the act and evaluate its effect on the financial statements and relevant disclosures. This involves inquiries and management response. Auditors are required to timely communicate possible or actual illegal acts to management, the audit committee, and other parties, including the SEC in certain circumstances. Auditors also would need to consider the impact on the auditor’s report. Audit committees and management might find this document useful in understanding the scope of auditor responsibilities regarding illegal acts.

### **Critical audit matters (CAMs)**

The PCAOB released on Nov. 13, 2024, a staff publication, “[Audit Focus: Critical Audit Matters](#),” that provides key reminders from the PCAOB standards on determination, communication, and documentation of CAMs, perspectives on some common deficiencies related to CAMs, and examples of good practices that have been implemented.

### **Reminders about audit committee communications**

The PCAOB released on Dec. 4, 2024, a staff publication, “[Audit Focus: Audit Committee Communications](#),” intended for auditors of smaller public companies, offering short and actionable items related to auditor communications with audit committees. It has reminders about certain communications, common deficiencies in required communications, and good practices observed in audit committee communications.

### **Culture and audit quality**

On Dec. 5, 2024, the PCAOB published “[Spotlight on Culture and Audit Quality](#),” which explores the link between audit deficiencies and audit firms’ culture and audit quality. The PCAOB performed interviews, analyzed inspection results, and reviewed firms’ quality control systems. The report focuses on aspects of quality control that might affect audit firm culture including governance and leadership, resources, engagement performance, and information and communication. It shares key insights related to firm culture:

- Audit firm culture can positively or negatively affect audit quality.
- Centralization and standardization might be correlated with audit quality.
- The remote/hybrid work environment affects audit firm culture.
- Audit firms need to promote a culture of accountability to support audit quality.
- Certain firm personnel might lack foundational skills.
- Audit leadership might send mixed messages.

## **Leadership changes**

### **Director of Registration and Inspections**

The PCAOB on April 15, 2024, named [Christine Gunia](#) as the new director of the Division of Registration and Inspections. She joined the PCAOB in 2004 and has been serving as acting director since October 2023. She oversees audit firm registrations and inspection of all domestic and foreign accounting firms that audit issuers whose securities trade in the U.S., and oversees audits of SEC-registered broker-dealers.

### **Second term for chair**

On June 11, 2024, the SEC announced the appointment of Erica Williams to a second term as PCAOB chair. The term began on Oct. 25, 2024, and ends on Oct. 24, 2029. The swearing-in ceremony was conducted virtually.

## **Inspections and enforcement**

### **2025 inspection priorities**

On Dec. 9, 2024, the PCAOB issued staff report “[Spotlight: Staff Priorities for 2025 Inspections and Interactions With Audit Committees](#).” It shares key risks and considerations for auditors and questions for audit committees to consider in their oversight role. Questions for audit committees address ICFR, materiality, auditor use of technology, audit evidence, and turnover on the engagement team.

The PCAOB shared that the financial sector will be one of the industries prioritized. Continued emphasis will be on industries with specialized accounting, those that might be negatively affected by uncertainties and volatility in the economic and geopolitical environment, those that are in sectors where inspectors have previously found a higher number of deficiencies, and those that might have a heightened going concern risk. Focus also will be on companies engaging in merger and acquisition activities or business combinations, broker-dealers that file compliance reports, and broker-dealers that provide customers with various investment opportunities.

Identified emphasis areas for 2025 include, but are not limited to:

- Prior execution challenges
- New auditing standards
- Critical audit matters
- New technology, including generative AI, at public companies and broker-dealers
- Crypto assets

### **Update on 2023 inspection activities**

On Aug. 15, 2024, concurrent with the posting of inspection reports for all 2023 annually inspected firms, the PCAOB published [“Spotlight: Staff Update on 2023 Inspection Activities,”](#) providing a summary of the 2023 inspections approach, common deficiencies, observations on quality control systems, and trends on recurring deficiencies. The document reveals that the aggregate deficiency rate in the audits of issuers and brokers and dealers increased in 2023; however, there were signs of improvement or leveling off at some of the largest firms, and the results of outlier inspections strongly influenced the aggregate rate. The areas of most common deficiencies included auditing ICFR, accounting estimates, revenue, inventory, business combinations, investment securities, and long-lived assets, goodwill, and intangible assets. The report also includes recommendations on best practices for auditing long-lived assets and revenue as well as reminders related to the auditor’s consideration of fraud.

### **Financial reporting audits of banks**

The PCAOB on Sept. 9, 2024, released a new staff report, [“Spotlight: Bank Financial Reporting Audits,”](#) describing the PCAOB’s inspection response to bank failures in early 2023, the effects of banking events on the PCAOB’s inspection activities, inspections observations, and good practices at audit firms in key focus areas, including investment securities, allowance for credit losses, deposit liabilities and loans and related accounts. The report highlights the continued effects of the bank failures on the banking industry and includes an overview of survey responses from U.S. audit firms on how they responded to disruptions in the banking industry, including impacts from rising interest rates, and how firms evaluated emerging and evolving risks in the banking sector.

### **Auditor independence inspection observations**

The PCAOB on Sept. 16, 2024, issued a report, [“Spotlight: Inspection Observations Related to Auditor Independence,”](#) that not only details inspection observations but also describes the importance of independence, recent trends related to independence, and inspection procedures. Additionally, the publication addresses good practices and provides reminders for auditors and considerations for audit committees.

### **Target team inspection observations**

On Sept. 25, 2024, the PCAOB released [“Spotlight: Observations From the Target Team’s 2023 Inspections.”](#) The report summarizes the target team’s inspection results and observations and provides examples of good practices that might contribute to audit quality in the execution of engagement procedures related to the focus areas. The focus areas for 2023 included crypto assets, multilocation audits, and significant or unusual events or transactions.

### **Broker-dealer inspection report**

The PCAOB on July 25, 2024, released its [“Annual Report on the Interim Inspection Program Related to Audits of Brokers and Dealers,”](#) which includes observations from inspections during 2023, guidance about and examples of effective procedures, and information about the inspection approach. According to the report, the percentage of firms with audit and/or attestation engagement deficiencies decreased slightly to 88% from the 90% identified in 2022. The PCAOB noted that “these high deficiency rates across engagement types are a cause for significant concern.”

The PCAOB also notes that this report should help broker-dealer management and audit committees or equivalents as they oversee the work of their auditors and engage on financial reporting. With the report, the PCAOB released [“Supplementary Information Related to Audits of Brokers and Dealers,”](#) which provides comparative data about selected firms and engagements and the results of PCAOB inspections over multiyear periods.

### **Insights into broker-dealer audit deficiencies**

The PCAOB on Jan. 30, 2024, published a report, [“Spotlight: Insights Into the PCAOB’s Interim Inspection Program Related to Audits of Broker-Dealers,”](#) in which the board identifies and discusses the potential factors that contributed to the high deficiency rates identified in the interim inspection program. The PCAOB identified the following factors:



- Insufficient understanding of the broker-dealer industry
- Lack of professional skepticism
- Lack of rigor in risk assessment and internal controls
- Inexperience with PCAOB standards
- Ineffective engagement quality review
- Overreliance on standardized audit programs
- Low-cost providers and the pace of auditor changes

In addition, the report provides reminders for auditors.

## Advisory groups

### 2024 advisory group members

On Feb. 7, 2024, the PCAOB [released](#) the names of the 2024 members of the Investor Advisory Group (IAG) and the Standards and Emerging Issues Advisory Group (SEIAG). The announcement identified the new 2024 appointments whose two-year terms will expire Dec. 31, 2025, as well as continuing members whose terms expire Dec. 31, 2024.

On July 29, 2024, the PCAOB [announced](#) that it was seeking nominations for members of its IAG and [SEIAG](#) to serve from Jan. 1, 2025, to Dec. 31, 2026. The nomination deadline was Sept. 6, 2024.

### Standards and Emerging Issues Advisory Group meeting

The PCAOB's SEIAG livestreamed a meeting on May 9, 2024. Topics included a standard-setting update, a presentation on fraud recommendations by the emerging issues in auditing subcommittee, a two-part fraud panel discussion, breakout sessions on key fraud topics, and considerations of the internal audit function. Video of the meeting is available on the PCAOB's [event page](#).

On Nov. 12, 2024, the PCAOB's SEIAG met virtually. It opened with an update on standard-setting, offered a presentation on a company's information technology risks and control environment, held breakout sessions on artificial intelligence, and discussed subsequent events. A recording is available on the meeting [event page](#).

### Investor Advisory Group meetings

On April 24, 2024, the PCAOB's IAG met virtually. The meeting included a standard-setting update, an update from the Division of Registration and Inspections, a presentation on AI, and a discussion of critical audit matters. A recording is available on the PCAOB's [event page](#).

On Sept. 26, 2024, the PCAOB held a meeting of its IAG. The meeting included a standard-setting update and presentations on audit committees' audit-related engagement with investors, audit firm ownership structures and funding arrangements, cyber risk on external audits, and critical audit matters. A recording is available on the PCAOB's [event page](#).

## From the CAQ

### Climate-related disclosures

On April 22, 2024, the CAQ [released](#) its second quarter survey of institutional investors, focusing primarily on investor perspectives on climate-related disclosures in decision-making and the SEC's recent final rule on such disclosures. It offers these results:

- 91% of respondents assessed climate-related disclosures to be “very” or “extremely” important to their firm’s investment decisions; 83% said the SEC should have requirements for climate-related disclosures because these disclosures are important to investors evaluating a company as an investment opportunity.
- 86% of respondents said they trust a publicly traded company’s climate-related disclosures “a great deal” or “completely.”
- 94% of respondents agreed that publicly traded companies should have their climate-related disclosures audited and assured by a third party. Overall, respondents identified specialized consulting firms and federal agencies as the most qualified parties to do so, and 91% said they would be “extremely” or “very” confident in climate-related disclosures assured by a public company audit firm using environmental experts.
- Respondents cited public and investor skepticism (48%) and lack of standard methodologies and metrics (46%) as the primary obstacles to confidence in audit firms providing assurance of climate-related disclosures.

In December 2024 the CAQ issued [“ESG Reporting: A Primer on Key Regulatory Reporting Requirements for U.S. Based Entities,”](#) to provide an overview of key regulatory ESG reporting requirements and standards, ongoing developments that should be monitored, and practical implementation considerations to help navigate the complex and rapidly changing ESG reporting environment. The report describes California climate laws, SEC climate rules, the European Union Corporate Sustainability Reporting Directive, and IFRS sustainability disclosure standards.

### **Financial restatement trends**

In June 2024 the CAQ released a report, [“Financial Restatement Trends in the United States: 2013-2022,”](#) that examines the trends in public company restatements and provides insights into restatement characteristics, accounting issues underlying restatements, investor concerns and restatement severity, restatement company characteristics, ICFR, and critical audit matters. The report noted, “Restatement activity is frequently used as an outcome-based measure of financial reporting quality.” Considering changes in both the regulatory and economic environments, an analysis of restatement trends might provide some insight into how the financial reporting ecosystem is managing factors that can affect the risk of material misstatement.

Among other findings, the analysis revealed:

- Expenses, specifically the misapplication of reporting rules for accruals, reserves, and estimates, are cited most frequently in restatement announcements.
- Fraud is implicated in 3% of restatements.
- The financial, banks, and insurance industry was identified as one of the top three industries reporting the most restatements.
- Public companies that have announced restatements are more likely to have ineffective ICFR based on management’s assessment.
- ICFR reports are not predictive of restatements.
- CAMs do not provide information about restatement risk.

### **GenAI resources**

In July 2024, the CAQ [published “Audit Committee Oversight in the Age of Generative AI,”](#) providing an overview of GenAI technology, a description of the impact of GenAI on financial reporting and ICFR, and questions to ask management and the auditor. The use of GenAI in financial reporting processes and ICFR creates new risks and considerations for companies including when and how to invest in GenAI technologies, and audit committees will have an important oversight role to play. The questions provided in this resource are aimed at helping audit committee members to better understand company management’s approach to the use of GenAI and oversee the related risks.

In April 2024 the CAQ [published “Auditing in the Age of Generative AI,”](#) which explores principles of AI, new risks, and implications. It covers the following topics:

- Where does GenAI fit with other AI technologies?
- How does GenAI work?
- Why and how are companies deploying GenAI?
- How does GenAI compare to other automation technologies?

The report also addresses the regulatory environment, including an overview of some of the existing and emerging regulations and voluntary frameworks related to AI, audit considerations for companies deploying GenAI, and example use cases.

### **Auditor's role in assessing and responding to fraud risk**

In October 2024 the CAQ published "[The Role of the Auditor: Assessing and Responding to Fraud Risk.](#)" It presents insights into practices, tools, and considerations that can help auditors enhance their professional skepticism and overall approach to assessing and responding to the risks of material misstatement resulting from fraud during the audit. It also provides clarity about the auditor's role and responsibilities related to fraud and gives insights for those who are involved in evaluating and using financial reporting information. Many stakeholders' influence and responsibilities have a significant impact on fraud deterrence and detection, and the mitigation of fraud risk is greatest when all in the financial reporting environment fulfill their roles.

### **Fall 2024 audit partner survey**

The CAQ on Oct. 30, 2024, [released the "2024 Audit Partner Pulse Survey,"](#) reporting results of its poll, conducted in September and October 2024, of audit partners at the country's leading public company accounting firms about their perspectives on the current business environment. Topics include U.S. economic health, challenges and risks facing businesses, and how business leaders are adjusting their strategies.

The survey revealed that a potential recession, ongoing inflation, regulations, and geopolitical instability are among the top concerns of audit partners and the companies they audit. Half of audit partners are neutral on the economy despite a potential recession and concerns over inflation. Although businesses were concerned about the U.S. election, most public companies were not preparing for the possibility of business interruptions due to the election. Regarding labor strategies, the survey revealed that upskilling employees and reducing headcount capacity were the top two priorities. Partners reported that the use of AI has increased primarily in process automation (62%), customer service (52%), and predictive analysis (34%). The use of AI might be influencing the change in labor strategies as well.

### **Audit committee transparency report**

On Nov. 18, 2024, the CAQ and Ideagen Audit Analytics issued the "[Audit Committee Transparency Barometer](#)" for 2024, which tracks proxy disclosures of S&P Composite 1500 companies to evaluate transparency of audit committee oversight of the external auditor and other financial reporting topics. The data gathered for this 11th annual report shows progress in disclosures over the years and reveals the continued need for audit committees to improve their disclosures each year.

The findings reveal a continued trend of increasing disclosures in key areas such as cybersecurity and ESG. A new question was added this year related to disclosure of a skills matrix for boards of directors. The report disclosed that 85% of S&P 500 companies and 75% of S&P MidCap companies included such disclosure. Furthermore, the publication provides highlights of the results, a summary of disclosure rates, examples of effective disclosures, a sample leading practice audit committee matters and report, and questions to consider when preparing audit committee disclosures.

## Appendix A: Key dates for select SEC rulemaking

Description	Category	Issue date	Effective and compliance dates
Special purpose acquisition companies, shell companies, and projections	Final rule	Jan. 24, 2024	<b>Effective date:</b> July 1, 2024 <b>Compliance dates:</b> Same as effective date for most requirements; June 30, 2025, for XBRL tagging requirement
Further definition of “as a part of a regular business” in the definition of dealer and government securities dealer	Final rule	Feb. 6, 2024	<b>Effective date:</b> April 29, 2024 <b>Compliance date:</b> April 29, 2025
Form PF; reporting requirements for all filers and large hedge fund advisers	Final rule	Feb. 8, 2024	<b>Effective/compliance date:</b> March 12, 2025
Supplemental standards of ethical conduct for members and employees of the SEC	Final rule	Feb. 22, 2024	<b>Effective date:</b> March 29, 2024
Disclosure of order execution information	Final rule	March 6, 2024	<b>Effective date:</b> June 14, 2024 <b>Compliance date:</b> 18 months after effective date
Exemption for certain investment advisers operating through the internet	Final rule	March 27, 2024	<b>Effective date:</b> July 8, 2024 <b>Compliance date:</b> March 31, 2025; advisers no longer eligible under amended exemption required to register in one or more states and withdraw registration with SEC by June 29, 2025
Regulation S-P: privacy of consumer financial information and safeguarding customer information	Final rule	May 16, 2024	<b>Effective date:</b> Aug. 2, 2024 <b>Compliance dates:</b> 18 months after Federal Register publication date (June 3, 2024) for larger entities; 24 months after this date for smaller entities; entity size defined by the final rule
Registration for index-linked annuities; amendments to Form N-4 for index-linked and variable annuities	Final rule	July 1, 2024	<b>Effective date:</b> Sept. 23, 2024 <b>Compliance date:</b> May 1, 2026, for most requirements; compliance required beginning on effective date for rule 156 and technical amendments to Forms N-3 and N-6
Qualifying venture capital funds inflation adjustment	Final rule	Aug. 21, 2024	<b>Effective date:</b> Sept. 30, 2024

Form N-PORT and Form N-CEN reporting; guidance on open-end fund liquidity risk	Final rule	Aug. 28, 2024	<b>Effective/compliance dates:</b> Nov. 17, 2025 (for larger entities), and May 18, 2026 (for smaller entities), for Form N-PORT amendments; Nov. 17, 2025 (for all entities), for Form N-CEN amendments
Regulation NMS: minimum pricing increments, access fees, and transparency of better priced orders	Final rule	Sept. 18, 2024	<b>Effective date:</b> Dec. 9, 2024 <b>Compliance dates:</b> First business day of November 2025 for most requirements; first business day of May 2026 for odd-lot information requirements
EDGAR filer access and account management	Final rule	Sept. 27, 2024	<b>Effective/compliance dates:</b> Platform to go live on March 24, 2025; enrollment closes on Dec. 19, 2025, and filers must comply with changes beginning Sept. 15, 2025, to continue to file on EDGAR
Covered clearing agency resilience and recovery and wind-down plans	Final rule	Oct. 25, 2024	<b>Effective date:</b> Jan. 17, 2025 <b>Compliance dates:</b> April 17, 2025, to file required proposed rule changes or advance notices; Dec. 15, 2024, for proposed rule changes or advance notices to become effective
Electronic submission of certain material under <i>Securities Exchange Act of 1934</i> ; amendments regarding the FOCUS Report	Final rule	Dec. 16, 2024	<b>Effective date:</b> March 24, 2025 <b>Compliance dates:</b> Phased in for different filing requirements, beginning from the effective date through June 2028
Daily computation of customer and broker-dealer reserve requirements under the Broker-Dealer Customer Protection Rule	Final rule	Dec. 20, 2024	<b>Effective date:</b> March 14, 2025 <b>Compliance dates:</b> For carrying broker-dealers, beginning within six months of meeting average total credits threshold calculated over a 12-month rolling period
The enhancement and standardization of climate-related disclosures for investors	Final rule (stayed)	March 6, 2024	Voluntary stay issued by SEC on April 24, 2024, pending completion of judicial review
Share repurchase disclosure modernization	Final rule (technical amendment)	March 19, 2024	Technical amendments rescinding final rule to reflect federal court's vacatur of repurchase rule, which was effective Dec. 19, 2023
Private fund advisers; documentation of registered investment adviser compliance reviews	Final rule (technical amendment)	Nov. 8, 2024	Technical amendments rescinding final rule to reflect federal court's vacatur of private fund advisers rule, which was effective June 5, 2024

Customer identification programs for registered investment advisers and exempt reporting advisers	Proposed rule	May 13, 2024	Comments closed on July 22, 2024
<i>Financial Data Transparency Act</i> joint data standards	Proposed rule	Aug. 2, 2024	Comments closed on Oct. 21, 2024

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