

**MEMO# 32566**

June 29, 2020

# **SEC Continues Effectiveness of Certain COVID-19 Related Relief and Announces Termination of Other COVID-19 Related Relief**

[32566]

June 29, 2020 TO: ICI Members SUBJECTS: Abandoned Property and Escheatment  
Closed-End Funds

Compliance

COVID-19

Disclosure

Fund Accounting & Financial Reporting

Fund Governance

International/Global

Operations

Technology & Business Continuity

Transfer Agency

Variable Insurance Products RE: SEC Continues Effectiveness of Certain COVID-19 Related Relief and Announces Termination of Other COVID-19 Related Relief

The Commission summarized the current COVID-19 related relief, along with the staff's views on whether and, if so, how that relief should be adjusted.[\[1\]](#) According to the statement, the Commission determined to maintain certain relief, such as relief to ensure continued remote operations and to provide flexibility in light of continued market volatility. At the same time, other relief was not extended, such as that related to filing and delivery deadlines. With respect to that relief, the Commission noted that "[a]s market participants have worked to implement business continuity plans and adjusted in many cases to a more remote and distributed workforce, the present need for extensions of certain regulatory deadlines has diminished."

This memorandum summarizes adjustments to current relief related to registered investment companies as well as newly-issued relief related to international mail service suspensions.[\[2\]](#)

The Commission maintained relief for an indeterminate amount of time (except as otherwise noted) related to:

- Proxy Material Delivery
- Conducting Shareholder Meetings
- Authentication and Retention Requirements
- TALF No-Action Letter (September 30, 2020)
- Short-Term Funding Flexibility for Mutual Funds and Separate Accounts
- Affiliated Purchases of Debt Securities
- BDCs' Financing Flexibility (December 31, 2020)
- In-Person Fund Board Meeting Requirements (December 31, 2020)
- Transfer Agent Relief
- Fingerprinting Requirements
- Paper Submissions, Manual Signatures, and Notarization Requirements
- EDGAR Filings (July 1, 2020; staff will continue to work with registrants after that date)
- Administrative Proceedings Filings

It determined not to extend the relief related to:

- Prospectus Delivery to Existing Shareholders
- Transmittal of Annual and Semi-Annual Reports
- Advance Notice by Closed-End Funds and BDCs to Call or Redeem Securities (August 15, 2020)
- Form N-CEN and Form N-PORT Filing Deadlines

It issued new relief related to:

- International Mail Service Suspensions

## **I. Existing Relief Maintained**

**Proxy Material Delivery.** This relief remains in effect. The Division expects that few registrants will need to avail themselves of this relief with respect to proxy materials sent to domestic mailing addresses but may need with respect to proxy materials sent to international addresses if the common carrier has suspended delivery service as a result of COVID-19.

**Conducting Shareholder Meetings.** Staff positions that provided flexibility around shareholder meetings continue in effect, although the staff expects that the number of companies availing themselves of the relief will decrease as the bulk of annual shareholder meetings typically are held in the first half of the calendar year.

**Regulation S-T Authentication and Retention Requirements.** The staff statement concerning the creation and retention of manual signatures in electronically filed documents now notes that it will remain in effect until a date specified in a public notice, which date will be at least two weeks from the date of the notice.

**Short-Term Funding Flexibility.** The Commission exemptive order providing additional flexibility for mutual funds and insurance company separate accounts to obtain short-term funding remains in effect, including borrowing from certain affiliates, entering into lending arrangements or borrowings that deviate from fundamental policies, and interfund lending. Each of the categories of relief provided in the order will expire on the date specified in a public notice from Commission staff, which date will be at least two weeks from the date of the notice.

**Term Asset-Backed Securities Loan Facility No-Action Letter.** The TALF 2020 no-action letter is currently scheduled to terminate on September 30, 2020.

**Affiliated Purchases of Debt Securities.** The staff letters that provide no-action relief for certain funds to sell debt securities to an affiliated person remain in effect.

**BDCs' Financing Flexibility.** The Commission exemptive order that allows BDCs to issue and sell senior securities and participate in certain joint enterprises or other joint arrangements is available until the earlier of December 31, 2020, or the date by which the BDC ceases to rely on the order.

**In-Person Fund Board Meeting Requirements.** The relief from the in-person meeting requirement will terminate on a date specified in a public notice, which date will be at least two weeks from the date of the notice and no earlier than December 31, 2020.

**Transfer Agent Relief.** The Commission extended the relief until a date to be specified in a public notice from Commission staff, which date will be at least two weeks from the date of the notice.

Transfer agents are granted relief for certain recordkeeping, reporting, and processing time obligations that could be difficult to meet in light of the challenges associated with COVID-19.

**Fingerprinting Requirements.** The Commission extended the relief until a date to be specified in a public notice from Commission staff, which date will be at least two weeks from the date of the notice. The relief exempts transfer agents, broker-dealers, national securities exchanges and their members, and clearing agencies from the requirement that partners, directors, officers, and employees be fingerprinted.

**Paper Submissions, Manual Signatures, and Notarization Requirements.** This relief remains in effect and will terminate on the date specified in a public notice, which date will be at least two weeks from the date of the notice. Until that time, staff will not recommend enforcement action if filers and registrants make alternate arrangements, as detailed in a June statement, for delivery, execution, and notarization of certain paper filings.

**EDGAR Filings.** The Commission [temporarily amended](#) Rule 10 of Regulation S-T to provide relief through July 1, 2020 from the notarization requirements for EDGAR access requests. The EDGAR Business Office will work with filers to continue to accept electronic and remote online notarizations.

**Administrative Proceedings Filings.** The Commission order encouraging the parties to administrative proceedings to file and serve documents electronically remains in effect.

## II. Relief Not Extended

Certain temporary relief relating to filing and delivery deadlines was granted to market participants to provide them with additional time to implement business continuity plans. The staff has determined that further extension of this relief is unnecessary as detailed immediately below.

**Prospectus Delivery to Existing Shareholders.** The Commission permitted certain prospectuses to for purchases, other than an initial purchase, to be delivered on or before June 30, 2020, to be delivered as soon as practicable, but not later than 45 days after the date originally required. The Division determined that further extension of this relief is unnecessary.

**Transmittal of Annual and Semi-Annual Reports.** The Commission by exemptive order extended the deadlines for transmittal of annual and semi-annual reports due between March 13, 2020 and June 30, 2020 by mutual funds and separate accounts affected by COVID-19 by up to 45 days. The Division determined that further extension of this relief is unnecessary.

## III. Newly-Issued Relief

**International Mail Service Suspensions.** On June 26, 2020, the Divisions of Investment Management and Trading and Markets issued a joint statement regarding requirements to mail certain regulatory communications to shareholders, clients and customers who have not consented to electronic delivery and who have mailing addresses in international jurisdictions where common carriers have suspended mail service. The staff agreed not to recommend enforcement action if certain alternate arrangements are satisfied. This statement expires on the date, as applicable to each specific affected international jurisdiction, that common carriers resume mail delivery.

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### endnotes

[1] *An Update on the Commission's Targeted Regulatory Relief to Assist Market Participants Affected by COVID-19 and Ensure the Orderly Function of our Markets* (June 26, 2020), available at

<https://www.sec.gov/news/public-statement/update-commissions-targeted-regulatory-relief-assist-market-participants>

[2] ICI [Memorandum No. 32567](#) (June 29, 2020) more fully describes transfer agent-related relief maintained and additional relief granted in response to international mail suspensions.

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