

MEMO# 32373

April 9, 2020

SEC Commissioner Roisman Issues Statement on Agency Rulemaking

[32373]

April 9, 2020 TO: ICI Members
Bank, Trust and Retirement Advisory Committee
Broker/Dealer Advisory Committee
Closed-End Investment Company Committee
Internal Sales Managers Roundtable
Investment Adviser and Broker-Dealer Standards of Conduct Working Group
Investment Advisers Committee
Operations Committee
Pension Committee
Pension Operations Advisory Committee
Sales and Marketing Committee
SEC Rules Committee
Transfer Agent Advisory Committee
Variable Insurance Products Advisory Committee SUBJECTS: Closed-End Funds
Compliance
Disclosure
Investment Advisers RE: SEC Commissioner Roisman Issues Statement on Agency Rulemaking

During the SEC's April 8th open meeting to adopt rules on closed-end investment company and business development company offering reform, SEC Commissioner Elad Roisman issued a statement that, among other things, expresses his views on the agency's approach to rulemaking during the COVID-19 pandemic.[\[1\]](#) His remarks follow remarks last week on this issue by SEC Chairman Jay Clayton[\[2\]](#) and Commissioner Allison Herren Lee.[\[3\]](#)

The statement, which is available below, expresses Commissioner Roisman's view that the SEC must continue its day-to-day work during the COVID-19 pandemic. His remarks respond to the recommendation by Commissioner Lee that the agency limit its rulemaking activity during this time to the most pressing issues faced by investors, market participants, and the capital markets. Commissioner Roisman states, in relevant part,[\[4\]](#) that:

Times like these show how important the work of this agency is. There have been requests that we refrain from pursuing regulatory actions besides those related to COVID-19. But I feel strongly that we must continue our work as long

as we have the ability to do so. If circumstances change further, we can readjust by extending deadlines to gather more feedback or pushing back implementation dates, among other means. However, much time and thought has been given (and continues to be given) to developing our regulatory agenda. It implements our statutory mandates, and it is designed to prioritize regulatory actions that we believe will fulfill our mission in ways that further the interests of investors (retail and institutional), as well as many other market participants. Blanket inaction would do a disservice to these stakeholders as well as the commenters who took the time to share their views with us over the past several weeks and months.

Also, halting our day-to-day work and abandoning our agenda would do a disservice to our own staff. Each of our policy divisions has dedicated staff members who draft rulemaking recommendations for the Commission to carry out this agency's 86-year-old mission. In recent weeks, to the extent that emergency action has been needed, these teams have dropped everything to help ensure that our markets continue to function and investors are protected. Many have worked around the clock on these new projects—all while acclimating to new work environments, and in some cases taking care of family members. As emergency projects have subsided, they have lost no time in moving forward with their normal workloads. As long as these staff members and their loved ones are healthy and safe, as long as we have the capability for them to carry on working—why would we prevent them from continuing to serve the public in these roles? Many SEC employees I have spoken to have found that in moments such as these, they are reminded of why they are proud to work at the SEC.

That being said, I recognize that the last few weeks have brought fast-paced changes to all our daily lives. Everyone I know has felt challenged in some way. In the midst of these challenges, it is important that we increase our efforts to work together. With respect to my work within this agency, I want the SEC staff to know that my team and I aim to be as supportive of your efforts as we can be. We commit to being responsive to your questions and delivering clear feedback on your recommendations quickly, so that you can manage your hectic schedules. While these are things I have always strived to do, in times like these, they are even more important.

Chairman Clayton and Commissioner Lee also again addressed this issue in their statements at the SEC's April 8th meeting, demonstrating that the commissioners continue to have strong, divergent views on how the agency should approach its regulatory role during this time.^[5]

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endnotes

[1] Commissioner Roisman's statement is *available at* <https://www.sec.gov/news/public-statement/statement-roisman-securities-offering-reform-2>

[020-04-08](#) (“Roisman Statement”).

[2] For a summary of Chairman Clayton’s statement, *please see* ICI Memorandum No. 32350 (April 3, 2020), *available at* https://www.ici.org/my_ici/memorandum/memo32350.

[3] For a summary of Commissioner Lee’s statement, *please see* ICI Memorandum No. 32359 (April 6, 2020), *available at* https://www.ici.org/my_ici/memorandum/ci.memo32359.idc.

[4] Roisman Statement (internal citations omitted).

[5] Chairman Clayton’s statement is *available at* <https://www.sec.gov/news/public-statement/statement-clayton-securities-offering-reform-2020-04-08> and Commissioner Lee’s statement is *available at* <https://www.sec.gov/news/public-statement/statement-lee-securities-offering-reform-2020-04-08>. Although Commissioner Peirce did not address this issue in her written statement, she responded to Commissioner Lee’s statements on the timing of Commission rulemakings. She noted her belief that the SEC staff could move forward with rulemaking designed to help in the future while, at the same time, addressing the pressing matters of the present time.