Investment Management Update

August 2024

SEC Adopts Portfolio Reporting Enhancements; Declines Swing Pricing and Hard Close

On August 28, the U.S. Securities and Exchange Commission (SEC) adopted amendments to reporting requirements for Forms N-PORT and N-CEN and provided guidance on open-end fund liquidity risk management programs.

The amendments require funds to file monthly Form N-PORT reports within 30 days after the end of each month. Additionally, the amendments will make these reports available to the public 60 days after the end of the month. Since information will be filed with the SEC, funds will no longer be required to maintain records of this monthly information within 30 days of month end.

The Form N-CEN amendments require funds that are subject to Rule 22e-2 under the Investment Company Act of 1940 to report certain information about service providers used to fulfill liquidity risk management program requirements.

Lastly, the amendments provide guidance on certain open-end fund liquidity risk program requirements to address questions related to the frequency of classifying the liquidity of fund investments; the meaning of "cash" in the liquidity rule; and determining and reviewing highly liquid investment minimums.

The original November 2, 2022, SEC proposal also included reporting amendments related to funds' use of swing pricing and to implement a 4 p.m. hard close requirement. Many industry participants voiced their opposition to the proposals, citing costs and the burdens of implementing the measures. While it appears the SEC heeded these concerns and decided not to adopt these proposed amendments in the final rule, they could be reintroduced in the future.

The amendments will become effective November 17, 2025, and funds generally will be required to comply with them for reports filed on or after that date. Fund groups with net assets of less than $1 billion will have until May 18, 2026, to comply with the Form N-PORT amendments.

FOR MORE INFORMATION

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