Proskauer

SEC Formally Withdraws Fourteen Rule Proposals

June 16, 2025

On June 12, 2025 the Securities and Exchange Commission ("SEC") formally withdrew fourteen outstanding rule proposals issued by the prior administration. Although most observers doubted that the current Commission would adopt these proposals, the SEC's action confirms that any future rulemaking on these topics must start anew with a new proposal and a fresh opportunity for public comment.[1]

Withdrawn proposals relating to the business of investment advisers, investment companies or brokers are below:

- Conflicts of Interest Associated with the Use of Predictive Data Analytics by Broker-Dealers and Investment Advisers – proposed rules addressing conflicts arising from use of predictive data analytics by broker-dealers and advisers (originally proposed August 9, 2023).
- Safeguarding Advisory Client Assets – a proposed overhaul of the custody rule under the Advisers Act, expanding asset coverage and requirements (originally proposed March 9, 2023).
- Cybersecurity Risk Management Rule for Broker-Dealers, Exchanges, and Other Market Infrastructure Entities – would have required cybersecurity policies, incident reporting, and public disclosure for a broad range of market participants (originally proposed April 5, 2023).
- Regulation Best Execution – proposed comprehensive best-execution standard and oversight framework for broker-dealers (originally proposed January 27, 2023).
- Order Competition Rule – would have required certain retail orders to be exposed in qualified auctions before internalization (originally proposed January 3, 2023).
- Outsourcing by Investment Advisers – would have imposed due-diligence and monitoring requirements on critical third-party service providers (originally proposed November 16, 2022).
- Enhanced Disclosures by Certain Investment Advisers and Investment Companies About Environmental, Social and Governance Investment Practices – would have required detailed ESG-related disclosures (originally proposed June 17, 2022).

- Cybersecurity Risk Management for Investment Advisers, Registered Investment Companies, and Business Development Companies – would have mandated written cybersecurity programs and incident reporting for advisers and funds (originally proposed March 9, 2022).

Withdrawn proposals relating to public markets investors, or to public markets generally, are below:

- Volume-Based Exchange Transaction Pricing for NMS Stocks – would have prohibited volume-based exchange transaction pricing for agency orders (originally proposed November 6, 2023).
- Position Reporting of Large Security-Based Swap Positions – would have required a filing by holders of large security-based swap positions (originally proposed June 26, 2023).
- Regulation Systems Compliance and Integrity – amendments expanding the definition of "SCI entity" and updating system compliance obligations (originally proposed April 14, 2023).
- Substantial Implementation, Duplication, and Resubmission of Shareholder Proposals Under Exchange Act Rule 14a-8 – a proposed rule that would have amended the substantive bases public companies could use to exclude shareholder proposals from their proxies (originally proposed July 27, 2022).
- Amendments Regarding the Definition of "Exchange" and Alternative Trading Systems – expansion of the exchange definition and additional requirements for Treasury and fixed-income ATSs (originally proposed March 18, 2022).
- Amendments to the National Market System Plan Governing the Consolidated Audit Trail to Enhance Data Security – CAT data-security enhancements (originally proposed October 16, 2020).

Notably absent from the list of withdrawn proposals was the joint proposal by the SEC and the Department of the Treasury that would have required investment advisers to implement procedures to verify the identities of their customers (the "CIP Rule"). It is unclear at this stage whether this indicates an intent to actually enact this proposal, which could potentially be beneficial for the administration's national security priorities, or simply reflects the need for coordinated action with the Department of the Treasury.

In April and October of each year, Federal agencies, including the SEC, are required by law to publish an agenda of proposed rulemaking that they expect to have a substantial impact on the economy. Under normal circumstances, the SEC would have published the Spring 2025 edition of its agenda by now, potentially shedding light on the CIP Rule and other near-term priorities. As of this writing, however, the SEC has not released the statutorily required agenda.

Nevertheless, new rule proposals and proposed amendments remain likely during the remainder of the current administration, including on some of the topics addressed by the now-withdrawn proposals. For example, Commissioners' public statements have indicated an intent to revise the Custody Rule to address cryptocurrencies and other digital assets. Likewise, the rapid adoption of AI tools may eventually prompt SEC action (likely with materially different scope and compliance burdens than the withdrawn proposal).

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[1] On several occasions during the prior administration, the SEC forwent issuing a fresh proposal and instead simply reopened the comment period on an older, already-noticed rulemaking before proceeding directly to final adoption. Reopening the record — even if accompanied by new requests for comment — can speed the process because the Commission need not prepare a new proposing release (or, indeed, settle on the precise rule text) before soliciting input. Yet this shortcut creates uncertainty for commenters: without an updated proposal, they have little visibility into the version of the rule the SEC now favors and therefore cannot easily determine what comments would be most useful to submit.

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