

SEC in Focus

Quarterly summary of current SEC activities

In this issue:

SEC rulemaking and guidance.....1

SEC proposes rules for certain crypto assets; issues order to facilitate the trading of tokenized NMS stocks 1

SEC proposes custody rule amendments to address crypto assets and modernize other provisions.....2

SEC issues proposal to modernize rules for registered transfer agents.....2

SEC proposes rescission of shareholder proposal rule and amendments to modernize proxy solicitation rules 2

SEC proposes amendments to expand retail access to private markets 2

SEC and CFTC further extend Form PF amendments compliance date 3

Other SEC matters 3

SEC establishes Financial Reporting and Accounting Unit 3

SEC and FDA enter memorandum of understanding 3

SEC Commissioner Hester Peirce departs after two terms 3

PCAOB amends quality control standard QC 1000.....3

SEC rulemaking and guidance

SEC proposes rules for certain crypto assets; issues order to facilitate the trading of tokenized NMS stocks

The Securities and Exchange Commission (SEC or Commission) **proposed** new rules for crypto assets that would provide two exemptions from registration under the Securities Act of 1933 for covered investment contracts, among other things. The proposal, named Regulation Crypto Assets, would create a one-time startup exemption for offerings of up to \$5 million over four years and a two-tier fundraising exemption for offerings of up to \$20 million under Tier 1 and up to \$75 million under Tier 2 in any 12-month period.

Issuers relying on either exemption would need to provide principles-based narrative disclosures. Those relying on the fundraising exemption would also need to include financial statements in their offering statements as well as file periodic and current reports. Audited financial statements would be required only for Tier 2 offerings.

The SEC also issued an **order** granting Tokenized Securities Venues temporary conditional exemptive relief from the definition of “exchange” under the Securities Exchange Act of 1934 (Exchange Act). This relief allows these venues to trade tokenized National Market System (NMS) stocks in a permissioned environment, subject to certain conditions. Before making an NMS stock tokenized by an unaffiliated third party available for trading, a venue needs to provide the issuer with written notice and an opportunity to object to the trading.



**The better the question.
The better the answer.
The better the world works.**



**Shape the future
with confidence**

EY resources

- ▶ [To the Point – SEC proposes tailored rules for certain offerings involving crypto assets](#)
- ▶ [To the Point – SEC proposes custody rule amendments to address crypto assets and modernize other provisions](#)

SEC proposes custody rule amendments to address crypto assets and modernize other provisions

The SEC **proposed** amendments that would allow registered investment advisers to hold crypto assets on behalf of clients, including regulated funds, and would allow state trust companies to custody crypto assets, subject to certain conditions. The proposal would modernize existing custody rules, including changes affecting registered investment advisers, broker-dealer custodians, audit requirements and reporting obligations.

The proposal also discusses planned updates to the SEC's 2009 Guidance for Accountants, which addresses procedures performed by accountants in connection with surprise examinations and internal control reports to satisfy the Advisers Act custody rule. The updates would revise the definition of a material discrepancy, add information technology and crypto asset custody control objectives, and modify verification procedures for internal control reports, among other things.

SEC issues proposal to modernize rules for registered transfer agents

The SEC **proposed** amendments to the rules and forms governing registered transfer agents to reflect operational developments, including electronic recordkeeping, digital communications, tokenized securities and distributed ledger technology.

The proposal would revise Forms TA-1 and TA-2 to clarify definitions, eliminate duplicative questions and require disclosures about tokenized securities activities, the use of distributed ledger technology, among other changes. It would also shorten the processing period for routine transfer requests; strengthen recordkeeping and record-retention requirements; establish new business continuity, risk management and safeguarding requirements; and eliminate certain exemptions from turnaround, processing and recordkeeping requirements.

SEC proposes rescission of shareholder proposal rule and amendments to modernize proxy solicitation rules

The SEC **proposed** rescinding Exchange Act Rule 14a-8, which provides a framework for including shareholder proposals in an issuer's proxy materials. The proposal would leave decisions about the role of shareholder proposals to state law and, where permitted, the issuer's governing documents.

Additionally, the SEC **proposed** amendments to modernize certain proxy solicitations rules by eliminating the requirements to deliver annual reports to security holders and to file soliciting materials for certain exempt solicitations. The amendments would also remove the delivery deadline for documents incorporated by reference into proxy statements and shorten the minimum broker search period for proxy solicitations, among other changes.

SEC proposes amendments to expand retail access to private markets

The SEC **proposed** amendments that would expand retail investor access to private market investment opportunities while maintaining investor protections. Among other changes, the amendments would allow investment advisers to receive performance-based compensation from certain clients, including regulated funds; modernize the interval fund framework by permitting repurchases to be scheduled at certain times that better align with portfolio liquidity; and permit certain closed-end funds to issue multiple share classes.

Separately, the SEC requested comment on additional ways individuals could qualify as accredited investors, including through certain professional licenses, certifications, credentials or examination.

SEC and CFTC further extend Form PF amendments compliance date

The SEC and the Commodity Futures Trading Commission (CFTC) further **extended** the compliance date for amendments to Form PF, the confidential reporting form for certain SEC-registered investment advisers to private funds, to 1 July 2027 from 1 October 2026. The agencies said the extension will allow them to consider proposed amendments that would reduce certain reporting requirements and filing obligations for private fund advisers. A brief overview of the 2024 Form PF amendments can be found in the [April 2024 SEC in Focus](#).

Other SEC matters

SEC establishes Financial Reporting and Accounting Unit

The SEC **announced** the creation of a Financial Reporting and Accounting Unit within its Division of Enforcement. This specialized unit will focus on accounting and financial reporting fraud and related misconduct.

SEC and FDA enter memorandum of understanding

The SEC and the Food and Drug Administration (FDA) **announced** a memorandum of understanding (MOU) to strengthen interagency cooperation. The MOU establishes a framework for the agencies to share information and to coordinate on matters within their respective regulatory and enforcement responsibilities, including public company disclosures related to activities regulated by the FDA.

SEC Commissioner Hester Peirce departs after two terms

The SEC **announced** Commissioner Hester Peirce's departure on 1 October 2026. Ms. Peirce had served on the Commission since 2018 and previously served on the SEC staff from 2000 to 2008. The SEC is authorized to have five commissioners, including the chair, who are appointed by the President with the advice and consent of the Senate. The Commission is currently composed of Mr. Atkins and Mr. Uyeda, both Republicans. No more than three commissioners may belong to the same political party under SEC rules.

Effective 2 October 2026, the SEC **amended** its quorum rule to provide greater flexibility when vacancies or commissioner disqualifications limit participation in Commission matters. Three commissioners continue to constitute a quorum, subject to two exceptions. As under the previous rule, if only one or two commissioners are in office, that number constitutes a quorum. Under the amended rule, if only one or two commissioners in office are not disqualified from considering a matter, that number constitutes a quorum for that matter.

PCAOB amends quality control standard QC 1000

The Public Company Accounting Oversight Board (PCAOB) **adopted** amendments to its new quality control standard, QC 1000, *A Firm's System of Quality Control*. The amendments are intended to better align QC 1000 with other quality management standards where appropriate and reduce compliance costs.

The amendments do not change QC 1000's effective date of 15 December 2026. They will take effect on the same date as the standard, pending SEC approval.

“
Regulation Crypto
Assets seeks to
provide crypto asset
entrepreneurs and
market participants
with clear pathways
to raise capital
under the federal
securities laws.

— SEC Chairman Paul Atkins

EY | Building a better working world

© 2026 Ernst & Young LLP.
All Rights Reserved.

SCORE No. 32713-261US

ey.com/en_us/technical/accountinglink

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com. Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.