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THE SEC UNDER CHAIRMAN ATKINS: DEREGULATORY RECALIBRATION AND ITS IMPLICATIONS FOR INVESTMENT ADVISERS

The SEC under Chairman Paul Atkins continues to pursue a deregulatory agenda across enforcement, examinations, regulatory guidance, and rulemaking. This article provides an overview of recent developments in each of these areas and considers the impact of recent elections.

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INTRODUCTION

Under Chairman Paul Atkins, the Securities and Exchange Commission (the "SEC" or the "Commission") has significantly changed its regulatory posture toward registered investment advisers, particularly private fund advisers, as compared to the prior administration. The shift is not merely rhetorical; it is reflected in enforcement statistics, interpretive guidance, rulemaking withdrawals, examination priorities, and rulemaking proposals.

This article surveys consequential recent actions and new potential developments, including:

- a retreat from "broken windows" enforcement;
- the Division of Examinations' reduced footprint;
- a proposal to roll back the 2024 Form PF amendments and raise reporting thresholds.
- favorable interpretive guidance pursuant to Rule 206(4)-1 under the Investment Advisers Act of 1940 (the "Advisers Act");
- a proposal to modernize the custody framework set forth in Rule 206(4)-2 under the Advisers Act (the "Custody Rule");
- a proposal to align the "qualified client" definition in Rule 205-3 under the Advisers Act with the "accredited investor" standard;
- unresolved questions arising from the use of artificial intelligence ("AI") tools under the Advisers Act recordkeeping framework; and
- a proposal to provide relief under Rule 206(4)-5 under the Advisers Act (the "pay-to-play" rule).

These developments are indicia of a Commission and staff with an increased willingness to work with market participants. The Commission's current Regulatory Flexibility Agenda, published in July 2026, confirms that the deregulatory approach is being formalized through the rulemaking pipeline, not through informal

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