

2021 | 2022 SEC RULES' EFFECTIVE AND COMPLIANCE DATES

The following is a reminder of the upcoming effective and compliance dates of various significant SEC rulemakings that affect the registered fund (open-end and closed-end) industry:

AUG. 1, 2021

Closed-End Funds: In April 2020, the SEC issued a [release](#) that, among other things, amended Form N-2 and Rule 8b-16 (the “April 2020 Release”). Certain changes made by the April 2020 Release become effective **August 1, 2021**: (i) an annual report filed by a registered closed-end fund is required to include management’s discussion of fund performance (“MDFP”) disclosure items (see Form N-2, Instruction 4.g to Item 24) and (ii) amendments to Rules 23c-3 and 24f-2 and to Form 24F-2 permit interval funds to pay registration fees using the annual-net-basis methodology employed by mutual funds and ETFs.

JAN. 19, 2022

Changes to Fund of Funds Arrangements: Rule 12d1-4’s effective date is January 19, 2021, although fund of funds arrangements will have one year (i.e., until **January 19, 2022**) to comply. On that compliance date, the SEC will simultaneously rescind Rule 12d1-2, as well as most exemptive orders granting relief from Sections 12(d)(1)(A), (B), (C) and (G) of the 1940 Act and related no-action letters. In addition, in light of the rescission of Rule 12d1-2, Rule 12d1-1 was amended on January 19, 2021 to permit funds that rely on Section 12(d)(1)(G) to invest in money market funds that are not part of the same group of investment companies.

At present, Item C.7 of Form N-CEN requires funds to report if they relied on certain 1940 Act rules during the reporting period, including if they relied on Rule 12d1-1. In connection with the adoption of Rule 12d1-4, Form N-CEN will be amended effective **January 19, 2022** to require funds and UITs to report whether they relied on Rule 12d1-4 or the statutory exception in Section 12(d)(1)(G) during the reporting period. See Ropes & Gray’s October 14, 2020 [Client Alert](#).

FEB. 1, 2022

Structured Data Requirements (Form 24F-2): All filers on Form 24F-2 (including existing Form 24F-2 filers, **such as open-end funds and UITs**, as well as interval funds) will be required to file reports on Form 24F-2 in an XML-structured data format on **February 1, 2022**. This change was part of the April 2020 Release.

AUG. 1, 2022

Closed-End Fund Inline XBRL Format Requirements: Closed-end funds that are eligible to file a short-form Form N-2 will be required to comply with Inline XBRL format requirements beginning **August 1, 2022**. All other closed-end funds must comply beginning **February 1, 2023**. See Ropes & Gray's April 27, 2020 [Client Alert](#). This change was part of the April 2020 Release.

AUG. 19, 2022

Funds' Use of Derivatives: Rule 18f-4's effective date is February 19, 2021. The adopting release provides for an 18-month transition period following the rule's effective date (i.e., until **August 19, 2022**) for funds to prepare to come into compliance with Rule 18f-4. In addition, on that date, Release 10666 will be rescinded and related no-action letters and other staff guidance (or portions thereof) will be withdrawn. On **August 19, 2022**, the SEC also will rescind the exemptive orders provided to leveraged/inverse ETFs, which will be permitted to rely on the ETF Rule, as amended by the Rule 18f-4 adopting release.

A fund may rely on Rule 18f-4 after its February 19, 2021 effective date, but before August 19, 2022, provided that the fund satisfies Rule 18f-4's conditions. Any funds that do so must rely only on Rule 18f-4, and may not rely on Release 10666 or any no-action letters or other staff guidance. In such cases, early compliance requirements extend to the amendments to Form N-PORT and Form N-CEN, as applicable, once these updated forms are available for filing on EDGAR, as well as filing Form N-RN (or Form N-LIQUID if the SEC staff has not updated current Form N-LIQUID on EDGAR to reflect the amendments in the Rule 18f-4 adopting release, including retitling the form as "Form N-RN") to report any reportable event. See Ropes & Gray's November 6, 2020 [Client Alert](#).

SEPT. 8, 2022

Good Faith Determinations of Fair Value: Rules 2a-5 and 31a-4 became effective **March 8, 2021**. The compliance date will be 18 months later, on **September 8, 2022**. Funds have the option of complying with the Rules before the compliance date and after March 8, 2021. However, the adopting release states that any fund that elects to rely on Rules 2a-5 and 31a-4 before the compliance date may rely only on those rules, and may not also rely on other SEC guidance and staff letters and other guidance that will be withdrawn or rescinded on the compliance date. See Ropes & Gray's December 9, 2020 [Client Alert](#).

If you would like to learn more about the issues in this alert, please contact your usual Ropes & Gray attorney contacts.