

Stradley Ronon Stevens & Young, LLP  
2005 Market Street  
Suite 2600  
Philadelphia, PA 19103-7018  
215.564.8000 Telephone  
215.564.8120 Facsimile  
www.stradley.com

With other offices in:  
Washington, D.C.  
New York  
New Jersey  
Illinois  
Delaware



www.meritas.org

*Our firm is a member of Meritas.  
With 189 top-ranking law firms  
spanning 97 countries, Meritas  
delivers exceptional legal knowledge,  
personal attention and proven  
value to clients worldwide.*

Information contained in this publication should not be construed as legal advice or opinion or as a substitute for the advice of counsel. The enclosed materials may have been abridged from other sources. They are provided for educational and informational purposes for the use of clients and others who may be interested in the subject matter.

Copyright © 2020  
Stradley Ronon Stevens & Young, LLP  
All rights reserved.

Please click [here](#) to visit our **COVID-19 RESOURCE CENTER**

## SEC Adopts Offering Reforms for Registered Closed-End Funds and Business Development Companies

### 1. Introduction

#### *Background*

On April 8, 2020, the Securities and Exchange Commission (SEC) adopted rules that will modify the registration, communications and offering processes for registered closed-end investment companies (Registered CEFs), including interval funds, and business development companies (BDCs) under the Securities Act of 1933 (the Securities Act). As directed by Congress, the rules will allow these investment companies to use the securities offering rules that are already available to operating companies.

In 2005 the SEC adopted securities offering reforms for operating companies to modernize the securities offering and communication processes while maintaining investor protections under the Securities Act. At that time, the SEC specifically excluded all investment companies from the scope of these reforms.

The Economic Growth, Regulatory Relief, and Consumer Protection Act (the Registered CEF Act) directed the SEC to adopt rules to allow any registered CEF with securities listed for trading on a national securities exchange (a Listed Registered CEF), or that is an Interval Fund to use the securities offering rules available to other issuers that are required to file reports under Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (the Exchange Act), subject to appropriate conditions. The Small Business Credit Availability Act (the BDC Act) directed the SEC to allow a BDC to use the securities offering rules available to other issuers required to file reports under Section 13(a) or Section 15(d) of the Exchange Act.

As discussed more fully below under “Scope of Closed-End Investment Companies Affected,” the Final Rule applies to all Registered CEFs and all BDCs (collectively, Affected Funds). The Final Rule is effective Aug. 1, 2020, except that the amendments to rules 23c-3, 24f-2 and Form 24F-2 under the Investment Company Act and the amendments to rules 456 and 457 and Forms S-1, S-3, F-1 and F-3 under the Securities Act will become effective Aug. 1, 2021. See “Effective and Compliance Dates” below. [Read More...](#)

#### For more information, contact:



[David P. Glatz](#)  
312.964.3502  
[dglatz@stradley.com](mailto:dglatz@stradley.com)



[Gabriella Leyhane](#)  
312.964.3508  
[gleyhane@stradley.com](mailto:gleyhane@stradley.com)



[John M. Ekblad](#)  
312.964.3506  
[jekblad@stradley.com](mailto:jekblad@stradley.com)