



SEC Leadership Change Results in Key Policy Developments

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The designation of SEC Commissioner Mark Uyeda as the Acting Chair of the U.S. Securities and Exchange Commission (SEC) on January 21, 2025, has resulted in a number of key policy developments. These developments, which we summarize in chronological order below, have implications for public companies, institutional investors and other market participants.

Formation of New Crypto Task Force

On **January 21, 2025**, the SEC [launched a "Crypto Task Force"](#) that it stated would develop a comprehensive and clear regulatory framework for cryptoassets, addressing longstanding concerns over the SEC's enforcement-driven approach to crypto regulation. The Task Force's aim, [its web page explains](#), will be to clarify the application of existing securities laws to digital assets, distinguish securities from non-securities, create practical disclosure frameworks, establish viable paths to registration for cryptoassets and market intermediaries, ensure investors have the necessary information and deploy enforcement resources judiciously, all in coordination with Congress, federal departments and agencies (such as the Commodity Futures Trading Commission), and state and international counterparts.

Updated Guidance on Notice of Exempt Solicitations

On **January 27, 2025**, the staff of the SEC's Division of Corporation Finance [released two updated and three new compliance and disclosure interpretations](#) (CDIs) regarding Form PX14A6G filings (Notice of Exempt Solicitations) under Exchange Act Rule 14a-6(g), which requires shareholders who own over \$5 million of the company's securities and who conduct an exempt solicitation without seeking to act as a proxy to file solicitation materials with the SEC. These filings have been made by certain market participants to disclose information on company EDGAR filing pages, even though the filings are not required.

The staff clarified that a voluntary PX14A6G submission by those who do not own over \$5 million of the subject securities is permissible with appropriate disclosures (revised CDI 126.06), and that PX14A6G filings must have a cover page with all information required under Rule 14a-103

presented before any soliciting material (revised CDI 126.07). The staff also reminded filers that PX14A6G filings are only meant to notify the public of written soliciting materials that have already been given to shareholders through other means (CDI 126.08) and should only include written communications that qualify as a “solicitation” (CDI 126.09).

Finally, all soliciting materials submitted remain subject to Exchange Act Rule 14a-9 liability for false or misleading statements (CDI 126.10). This new guidance should subject voluntary PX14A6G filings to additional requirements and potential liability.

Temporary Exemption From New Short Sale Reporting

On **February 7, 2025**, the SEC [announced a temporary exemption](#) from compliance with Exchange Act Rule 13f-2 and from reporting on Form SHO. This exemption extends the filing deadline to February 17, 2026, for initial Form SHO reports from institutional investment managers that meet certain thresholds for the January 2026 reporting period. The original compliance date for Rule 13f-2 and Form SHO was January 2, 2025, with initial Form SHO filings previously set to be due by February 14, 2025.

In recent months, industry participants have highlighted certain ambiguities and compliance questions regarding the scope of Rule 13f-2. This exemption aims to provide industry participants with additional time to work with the SEC to address outstanding operational and compliance questions and implement the necessary technical updates required for compliance. For additional information, see our October 27, 2023, client alert “[SEC Adopts Short Sale Disclosure Rules](#),” and our January 7, 2025, client alert “[New Short Sale Reporting Due by February 14, 2025](#).”

Updated Guidance on Schedule 13G Eligibility

On **February 11, 2025**, the staff of the SEC’s Division of Corporation Finance issued [updated and new guidance](#) regarding the eligibility of shareholders to file Schedule 13G instead of Schedule 13D beneficial ownership reports. The guidance notes that a shareholder’s ability to report on Schedule 13G depends on whether it holds the securities with a purpose or effect of “changing or influencing” control of the issuer. The staff withdrew previous guidance that stated that engagement with management on executive compensation, environmental, social or other public interest issues, or corporate governance topics unrelated to a change of control typically would not affect Schedule 13G eligibility (revised CDI 103.11).

The new guidance also clarifies the actions that would constitute an attempt to influence control, thus disqualifying the shareholder from reporting on Schedule 13G (CDI 103.12). A shareholder’s discussion with an issuer’s management that “goes beyond such a discussion” and “exerts pressure on management to implement specific measures or changes to a policy may be ‘influencing’ control over the issuer.” The list of the measures or policy changes that could trigger

a change in filing status under the new guidance, if the shareholder exerts pressure on management, includes recommending that an issuer “remove its staggered board, switch to a majority voting standard in uncontested director elections, eliminate its poison pill plan, change its executive compensation practices, or undertake specific actions on a social, environmental, or political policy.”

This new guidance will require shareholders — particularly institutional investors that rely on Exchange Act Rule 13d-1(b) to file Schedule 13G — to consider closely their engagement policies and procedures.

Defense of Climate-Related Disclosure Rules Being Reconsidered

On **February 11, 2025**, Acting Chair Uyeda [announced a shift](#) in the agency’s stance on the SEC’s [climate-related disclosure rules](#), adopted on March 6, 2024. Those rules were subject to a legal challenge being considered by the U.S. Court of Appeals for the Eighth Circuit. As a result of the challenge, the SEC had [stayed the effectiveness of the rules](#) pending resolution of the challenge.

Acting Chair Uyeda directed the SEC staff to request that the Court of Appeals not schedule the case for argument, allowing time for the SEC to determine its next steps in the challenge. The SEC plans to submit a status report to the Court of Appeals within 45 days. However, the decision to delay the proceedings was not unanimous; Commissioner Caroline Crenshaw [issued a statement voicing her disagreement](#), criticizing Acting Chair Uyeda’s directive as unilateral and reaffirming her support for the rules, asserting that the SEC acted within its authority.

Updated Guidance on Shareholder Proposals

On **February 12, 2025**, the staff of the SEC’s Division of Corporation Finance issued [Staff Legal Bulletin No. 14M](#) (SLB 14M), providing guidance on shareholder proposals under Exchange Act Rule 14a-8. The new bulletin rescinded [Staff Legal Bulletin No. 14L](#), issued in November 2021, and reinstates a “case-by-case,” company-specific approach to evaluating whether a proposal is “otherwise significantly related to the company” under Rule 14a-8(i)(5) (economic relevance exclusion) or raises “significant” policy issues under Rule 14a-8(i)(7) (ordinary business exclusion).

SLB 14M also reinstates previous guidance relating to the micromanagement basis for exclusion under Rule 14a-8(i)(7). SLB 14M also clarifies that, unless and until any rule amendments are adopted by the SEC, Rules 14a-8(i)(10) (substantial implementation exclusion), (i)(11) (duplication exclusion), and (i)(12) (resubmission exclusion) should be understood consistent with prior SEC and staff guidance rather than the 2022 proposed rule amendments.

It further rescinds the second deficiency notice requirement for certain proof of ownership defects, and clarifies guidance on the use of email for submission of proposals, delivery of deficiency notices and responses.

This change in guidance has a direct impact on many companies as they consider plans for upcoming shareholder annual meetings. Companies should consider whether further steps should be taken to update prior requests or submit new requests for SEC staff Rule 14a-8 no-action relief.

Launch of Cyber and Emerging Technologies Unit

On **February 20, 2025**, the SEC [announced the launch of the Cyber and Emerging Technologies Unit \(CETU\)](#) to combat cyber-related misconduct and protect retail investors from fraud in the emerging technologies sector. As noted by the SEC, this new unit, comprised of approximately 30 fraud specialists and attorneys from various SEC offices with “substantial fintech and cyber-related experience,” replaces the SEC’s Crypto Assets and Cyber Unit and will complement the work of the Crypto Task Force. The SEC also stated that the CETU will address fraudulent activities related to securities transactions, such as fraud involving blockchain technology and cryptoassets, misuse of social media, the dark web or deceptive websites to perpetrate fraud, unauthorized access to material nonpublic information and takeovers of retail brokerage accounts.

Staff Appointments

Acting Chair Uyeda has also [announced certain staff appointments](#), including acting division director positions. But the permanent leadership of the SEC divisions and offices will not be known until a permanent chair is confirmed. Paul Atkins has been nominated for the chair position but his confirmation hearing has not been scheduled yet. Based on prior SEC chair appointments, it is possible the confirmation will not be finalized for another month or more.

We are available to discuss any of these developments. We will also continue to monitor developments at the SEC and provide any additional helpful information.