

# SEC Provides Temporary Additional Flexibility to Registered Investment Companies Affected by Coronavirus

## Permits Funds to Use Additional Funding and Other Tools to Manage their Portfolios for the Benefit of Investors

### **FOR IMMEDIATE RELEASE 2020-70**

*Washington D.C., March 23, 2020* — The Securities and Exchange Commission today announced temporary flexibility for registered funds affected by recent market events to borrow funds from certain affiliates and to enter into certain other lending arrangements. Today’s relief is designed to provide funds with additional tools to manage their portfolios for the benefit of all shareholders as investors may seek to rebalance their investments.

“Today’s temporary action will provide an additional tool that funds can use to manage their portfolios for the benefit of their investors in the current market environment,” said Chairman Jay Clayton. “This action provides funds with additional flexibility to navigate volatile markets while meeting their obligations to investors.”

Today’s relief is the latest in a series of steps the Commission has taken to assist financial market participants in addressing the impacts of the coronavirus. The Commission’s website provides [additional information](#) regarding its response. The Commission and its staff continue to assess impacts relating to the coronavirus on investors and market participants, and will consider additional relief from other regulatory requirements where necessary or appropriate. Firms and financial professionals affected by the coronavirus are encouraged to contact the staff with questions and concerns.

**Division of Investment Management contact information:**

This content is provided  
to you courtesy of



SMALL BUSINESS  
INVESTOR ALLIANCE

[www.SBIA.org](http://www.SBIA.org)

For general questions or concerns related to impacts of the coronavirus on the operations or compliance of funds and advisers, please email [IM-EmergencyRelief@sec.gov](mailto:IM-EmergencyRelief@sec.gov).

### **Additional Information**

The Commission has issued the order as necessary and appropriate in the public interest and consistent with the protection of investors. For an entity seeking to rely on the order, attention is directed to its various conditions. Subject to these conditions, the order provides the following temporary exemptive relief from the Investment Company Act of 1940:

- Relief permitting registered open-end funds and insurance company separate accounts to borrow money from certain affiliates;
- Relief that permits additional flexibility under existing interfund lending arrangements and extends the ability to use interfund lending arrangements to funds that do not currently have exemptive relief; and,
- Relief that permits registered open-end funds to enter into lending arrangements or borrowings that deviate from fundamental policies, subject to prior board approval.

This temporary relief will extend until the date specified in a public notice from the staff stating that the relief will terminate, which date will be at least two weeks from the date of the notice and no earlier than June 30, 2020. The Commission may provide additional relief as circumstances warrant.

###

## **Related Materials**

---

- [SEC Order](#)

**This content is provided  
to you courtesy of**

