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SETTING THE TONE: KEY TAKEAWAYS FROM PAUL ATKINS' FIRST YEAR AS SEC CHAIR

Paul Atkins has just passed the first-year anniversary of his tenure as Chairman of the U.S. Securities and Exchange Commission (SEC) and has begun to reshape the agency's posture through a deliberate, back-to-basics approach. Since taking office in April 2025, Chair Atkins has emphasized alignment with the SEC's core mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

Changes in the last year have unfolded largely without headline-grabbing announcements. Nevertheless, these changes have had meaningful effects on market and industry participants. Collectively, these changes signal a shift toward rulebook recalibration, increased transparency, and a measured and fair approach to exams and enforcement. Below are highlights of significant areas of change over the past year, as well as a preview of expected priorities for the year ahead.

SEC ENFORCEMENT PROGRAM REFORMS: GREATER TRANSPARENCY, NEW LEADERSHIP, AND THE END OF NO ADMIT NO DENY

Transparency: Throughout the first year of Chair Atkins' tenure, we have seen reforms in the Enforcement Program focused on transparency and due process. For example, earlier this year, the SEC revised its Enforcement Manual for the first time since 2017. These revisions primarily consisted of codifying existing practices with the goal of providing more transparency and predictability into the process. Notably, FINRA also announced that it would be following suit and publishing an enforcement manual for the first time.

New Enforcement Leadership: The Enforcement program is now under the leadership of Director David Woodcock and has been prioritizing cases that include fraud and manipulation of both retail investors and the markets with a clear distinction between error and fraud. Under both Chair Atkins' and Director Woodcock's leadership, cases going forward are most likely to involve offering fraud, financial reporting matters, market manipulation and insider trading, and private markets. The SEC is also restarting the Retail Fraud Working Group with federal and state partners. Furthermore, instead of primarily bringing cases against companies, the Division has been naming

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individuals in cases with the goal of holding those perpetuating the crime accountable. This means that disgorgement has become an even more valuable tool for the Commission following the Supreme Court's unanimous ruling in *Sripetch v. SEC* that reaffirmed the SEC's power to pursue victimless disgorgement in future enforcement actions.

An additional indication of enforcement priorities under Director Woodcock can be found in the Division of Examinations' Risk Alerts, including the most recent June 2026 Risk Alert on conflicts, fees, and disclosures. The Alert aligns examination priorities with findings in recent enforcement orders as well as heartland issues, particularly with regard to investment adviser billing.

Rescission of No Admit No Deny: On May 19, 2026, the SEC rescinded the long-standing, "no admit, no deny" policy used when negotiating settlements with the Division of Enforcement. The rule, initially adopted in 1972, permitted respondents to settle enforcement actions without admitting wrongdoing, so long as they refrained from publicly denying the SEC's allegations. To make this change, the SEC formally rescinded Rule 202.5(e) of the agency's informal rules of procedure effective immediately.

Going forward, based on the rule change alone, respondents will be permitted to issue a public denial of the SEC's enforcement charges after entering into a settlement agreement. In practice, however, firms and companies, as well as their counsel, will need to continue to weigh the facts of a matter as well as the regulatory and industry contexts. The admission of wrongdoing, paradoxically, now takes on heightened importance. There is a strong possibility that the SEC seeks more specific admissions to anchor its factual findings, while respondents will be concerned about findings that trigger additional collateral regulatory, litigation, or reputational consequences. Notwithstanding this change in dynamic, we expect there will be a phase where public-facing messaging closely hews to past practices. Eventually though, there will be increased comfort for respondents (both individuals and firms or companies) to be more vocal. Furthermore, we understand that the SEC will not enforce the no-deny provisions of previous settlements. However, public discussion of SEC settlements remains unadvisable without significant consideration of the facts of the case, public sentiment, and reputational consequences.

Future enforcement cases could also be settled without admitting to facts or liabilities, and Enforcement staff retain the discretion to negotiate for admissions as part of a settlement. During recent remarks at the MFA Legal & Compliance Conference, Director Woodcock notably emphasized the importance of cooperation and maintaining a respectful dialogue when participating in enforcement proceedings. Commission staff retain significant discretion when negotiating settlements, and conduct will be a key factor.

THE ATKINS AVALANCHE: MODERNIZING THE SEC'S RULEBOOK

We expect that Chair Atkins' tenure will ultimately be remembered for an aggressive rulemaking agenda that brings the SEC rulebook into the 21st century and reflects current industry operations. Thus far, policymaking has largely been done through a combination of staff guidance, FAQs, and no-action letters that make technical changes to address long-standing areas of industry concern. This includes permitting brokerage payments to personal service entities,[1] approval of dual share class ETFs,[2] and more recently, guidance on the applicability of federal securities laws on pooled employer plans. Formal rulemaking has similarly targeted technical changes, including a proposal to amend the definition of "small entity" used when conducting economic analyses during the rulemaking process,[3] amendments to the applicability of Rule 15c2-11 on fixed-income securities that had previously been addressed through no-action relief,[4] and a review of the Consolidated Audit Trail.[5]

When Chair Atkins arrived at the SEC, cryptocurrency rules were at the top of his agenda. The SEC kicked off "Project Crypto" and began meeting with stakeholders to move quickly, but thoughtfully, on policymaking to clarify jurisdictional lines and applicability of existing rules. In the absence of federal legislation implementing a structure for digital assets, the SEC has issued guidance clarifying the staff view of token taxonomy,[6] ability of broker-dealers to custody crypto assets, and is expected to unveil an innovation exemption in the coming weeks.

This spring, Chair Atkins outlined the "A-C-T" strategy, which contains three pillars that will guide the agency's work going forward:

- *Advance* regulatory frameworks into the modern era;
- *Clarify* jurisdictional lines; and
- *Transform* the SEC rulebook by returning it to first principles.

To achieve these goals, Chair Atkins shared that he expects the SEC to propose around 30 rules this year and an additional 30 rules in 2027.[7] We expect many of these rules to be focused on public companies and capital formation or addressing digital assets. Additional rules under development are likely to address electronic delivery of account documents to retail customers, record retention under Rule 17a-4 and the definition of "business as such," and the pay-to-play rule.

FOCUS ON CAPITAL FORMATION AND IPOS

Chair Atkins has consistently emphasized his focus on capital formation and encouraging more companies to have an initial public offering (IPO). Execution of the "Make IPOs Great Again" strategy began last year when the SEC issued a statement of policy permitting use of arbitration between companies[8] and investors and has continued with a recent proposal to permit semiannual, rather than quarterly, reporting by public companies. His goal is to increase the number of public companies, which has dropped by more than 40% from the

mid-1990s,[9] by streamlining the regulatory requirements that are overly burdensome for new or emerging companies. This, in turn, creates more conservative opportunities for retail investors to build wealth by investing in growing entities that are subject to stringent federal securities laws.

Forthcoming rulemaking is expected to focus on disclosure requirements, ensuring that the states (and not the SEC) regulate matters of corporate governance and alternative dispute forums for public companies.

LOOKING AHEAD

The outlined policy and regulatory changes mark a significant amount of agency activity. This will require the industry to pay close attention to changes at the SEC and, when appropriate, consult with counsel to determine any appropriate changes to policies and procedures. For more information, please contact one of the authors or your regular AT attorney or policy professionals.

[1] Financial Services Institute, SEC No-Action Letter, Nov. 17, 2025.

[2] The SEC approved Dimensional Fund Advisers LP application to offer open-end funds with dual share classes on Sept. 29, 2025, and has steadily approved more than fifty substantially similar applications.

[3] Amendments to the “Small Business” and “Small Organization” Definitions for Investment Companies and Investment Advisers for Purposes of the Regulatory Flexibility Act, Release No. 33-11389; 34-103988, [91 Fed. Reg. 1107 (proposed Jan. 12, 2026) (to be codified at 17 C.F.R Parts 270, 275 and 279)].

[4] Publication or Submission of Quotations Without Specified Information, Release No. 34-105004 [91 Fed. Reg. 13243 (proposed March 19, 2026) (to be codified at 17 C.F.R Part 240)].

[5] Concept Release on Consolidated Audit Trail and Other Audit Trails and Data Sources, Release No. 34-105251 [91 Fed. Reg. 20945 (proposed April 20, 2026) (to be codified at 17 C.F.R Parts 240 and 242)].

[6] Application of the Federal Securities Laws to Certain Types of Crypto Assets and Certain Transactions Involving Crypto Assets, Release No. 33-11412; 34-105020 [91 Fed. Reg. 13714 (effective March 23, 2026)].

[7] Chair Atkins detailed the Commission’s rulemaking agenda during a fireside chat at the 3rd IMF-IOSCO Conference on Market-Based Finance in Washington, D.C. on Apr. 13, 2026.

[8] Acceleration of Effectiveness of Registration Statements of Issuers with Certain Mandatory Arbitration Provisions, Release No. 33-11389 (Sept. 17.

2025) [90 Fed. Reg. 45125 (Sept. 19, 2025)].

[9] Based on information shared by the SEC Division of Economic and Risk Analysis.