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ADDRESSING QUESTIONS UNDER THE AMENDED REGISTERED FUND NAMES RULE

Recent amendments to Rule 35d-1 under the Investment Company Act of 1940 — commonly known as the “Names Rule” — broaden the scope of terms in fund names subject to the rule, impose enhanced disclosure and compliance requirements on funds related to their names, and describe how to treat derivatives instruments and short positions under the rule. This article discusses certain interpretive questions fund managers face in implementing these amendments ahead of the December 2025 compliance date.

By Philip T. Hinkle, Corey F. Rose, Dale C. Beggs, and Austin G. McComb *

On September 20, 2023, the U.S. Securities and Exchange Commission adopted significant changes to Rule 35d-1 under the Investment Company Act of 1940, as amended (“Names Rule”), as well as certain forms and disclosure requirements (“Amendments”), with a compliance date of December 11, 2025, for large fund complexes and June 11, 2026, for small fund complexes.¹ The Commission has asserted that the Amendments will help modernize and enhance the investor protections provided by the Names Rule. In the

¹ *Investment Company Names*, Inv. Co. Act Rel. No. 35000, 88 Fed. Reg. 70436 (Oct. 11, 2023) (“Adopting Release”). With regard to the compliance date, large fund complexes have assets of \$1 billion or more and small fund complexes have assets of less than \$1 billion. *Id.* at 70476. For ease of reading purposes, this Article assumes that the compliance date has passed, referring to the requirements under the amended Names Rule in the present tense.

* PHILIP T. HINKLE and COREY F. ROSE are partners and DALE C. BEGGS and AUSTIN G. MCCOMB are associates in the Washington, DC office of Dechert LLP. Their e-mail addresses are philip.hinkle@dechert.com, corey.rose@dechert.com, dale.beggs@dechert.com, and austin.mccomb@dechert.com. Messrs. Rose and McComb co-authored an article in Volume 55, Number 22 of *The Review of Securities & Commodities Regulation* titled *The SEC’s Proposed Changes to the Names Rule on December 28, 2022*.

Adopting Release, the Commission juxtaposed how fund names can convey important information to investors with industry developments over the last two decades, including the growth of funds that incorporate environmental, social, or governance (“ESG”) criteria into their investment processes. Nevertheless, a number of interpretive questions remain concerning the scope of the Amendments and the guidance, or lack thereof, in the Adopting Release. The Staff of the Commission’s Division of Investment Management (“Staff”) recently issued updated frequently asked questions (“2025 FAQs”) which will help to resolve some questions left from the Adopting Release.² But without further guidance, fund managers are left parsing some of the

² Shortly after the Names Rule was adopted in 2001, the Staff released Frequently Asked Questions about Rule 35d-1 (Investment Company Names) (“2001 FAQ”).

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