

## **SEC Chair Will Continue to Push Agenda, Despite GOP Requests**

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Shortly after the election, House Republicans reportedly sent a letter to the federal agencies, including the SEC, asking them to refrain from finalizing any pending rules or regulations in order to provide the new administration and Congress the opportunity to review and provide direction. The letter further stated that “should you ignore this counsel, please be aware that we will work with our colleagues to ensure that Congress scrutinizes your actions — and, if appropriate, overturns them — pursuant to the Congressional Review Act.” On November 30, 2016, Senator Richard Shelby, Chairman of the Committee on Banking, Housing, and Urban Affairs, and Senator Michael Crapo, Chairman of the Subcommittee on Securities, Insurance and Investment, sent a letter urging Chair White to delay any further action on pending rulemakings.

Chair White was not convinced.

On December 12, 2016, Chair White responded to the letter from Senators Shelby and Crapo stating that, assuming she can get a quorum, she plans to “move ahead” with “a number of important rules and initiatives” that were ready to be considered by the Commission. In Chair White’s letter, she provided a list of rules currently ready for a Commission vote which includes rules related to capital, margin, and segregation requirements for swap dealers and limiting how mutual funds and exchange-traded funds use derivatives to leverage returns. Chair White stressed in her letter that it was “incumbent” on the SEC to “exhibit a spirit of firm independence” and noted that the Commission has historically continued to enact rules during post-election periods including in 2000 and 2008 and should not deviate from this practice.

Despite Chair White’s desire to move forward with new rules, Commissioner Piwowar, the sole Republican Commissioner, has the ability to thwart any further rulemaking by not appearing for SEC votes and thereby denying Chair White the necessary three-person quorum required for the Commission to act.

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