

# Key 10 Regulatory Challenges: 2025 Midyear

Agency regulatory changes to focus on the influence of corporate investors (e.g., proxy voting) and M&A relative to antitrust law. Future supervision/enforcement likely to focus on direct evidence of investor harm and “bad actors.”

## Key Regulatory Signals



### Corporate Governance & Investor Rights

Changing the dynamics of shareholder influence and corporate reporting requirements.



### Financial Stability & Market Integrity

Continued focus on maintaining the robustness of financial markets and preventing systemic risks.



### Tangible Investor Harm

Intensified efforts to address and prevent actions that lead to direct/substantiated harm to investors.



### Digital Assets, Innovation & Technology

Promoting the establishment of regulatory frameworks for, and increased adoption of, innovative financial technologies like digital assets and AI.

Private equity companies should expect regulatory focus and change across:

1

Regulatory Divergence

2

Trusted AI & Systems

3

Cybersecurity & Information Protection

4

Financial Crime

5

Fraud & Scams

6

Fairness & Protection

7

Financial & Operational Resilience

8

Parties & Providers

9

Governance & Controls

10

Markets & Competition



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Signals	<b>Proxy Rule Revisions:</b> Ability to exclude more shareholder proposals from proxy materials, including proposals addressing 'ordinary business' or have limited 'economic relevance'.	e.g., Staff Legal Bulletin No. 14M.
	<b>Beneficial Ownership Reporting:</b> Updates to Compliance and Disclosure Interpretations (C&DIs) on beneficial ownership, adding restrictions and narrowing of reporting.	e.g., Changes to Exchange Act Sections 13(d) and 13(g), with new restrictions on Schedule 13G filings.
	<b>Retail Investor Participation:</b> Considerations for regulatory changes to enhance retail investor access to private markets.	e.g., Definition of emerging growth companies; definition of accredited investor; assessment of Regulation A.

Signals	<b>Private Credit Market Risks:</b> Increased scrutiny on the potential systemic risks posed by the growth in private credit markets.	e.g., Prudential regulator focus to financial risk in expansion of private credit markets.
	<b>Merger Guidelines:</b> Application of 2023 Merger Guidelines to analyze antitrust implications.	e.g., The FTC and DOJ's ongoing enforcement focusing on preventing anti-competitive transactions.
	<b>Slowing of "Net-New" Regulations:</b> Administration deregulatory policy, including review of significant regulatory actions.	e.g., Reviews by the Office of Information and Regulatory Affairs as per the EO on "Ensuring Accountability for All Agencies."

## Corporate Governance & Investor Rights



## What's coming...



## Financial Stability & Market Integrity

## Tangible Investor Harm



## Digital Assets, Innovation & Technology

Signals	<b>Investor Protection Focus:</b> Prioritizing SEC enforcement actions that demonstrate tangible/direct harm to investors, including "bad actors."	e.g., Clear investor harm and increasing focus on individual liability.
	<b>Restructuring of SEC Investigations:</b> Commissioner approval for formal orders of investigation.	e.g., Issuing subpoenas or compelling testimony.
	<b>FCPA Enforcement Changes:</b> Adjustments to focus Foreign Corrupt Practices Act (FCPA) enforcement on foreign bribery that facilitates criminal operations.	e.g., DOJ change in current FCPA enforcement priorities.

Signals	<b>Crypto/Digital Assets:</b> Establishment of regulatory framework development for digital assets.	e.g., SEC Crypto Task Force; President's Working Group recommendations on digital asset markets (re: EO 14178).
	<b>Innovation and Technology Adoption:</b> Flexible approach to fintechs and AI adoption/expansion.	e.g., More flexible technology-related regulations, including charters.
	<b>State/Federal Coordination:</b> Enhance collaboration on examination and oversight of fintech/bank service providers.	e.g., Improving information-sharing arrangements.



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*“Growing regulatory divergence and fragmentation add another layer of complexity to establishing a clear path from strategy and operations to effective risk and compliance. Will a deregulatory policy really equate to deregulation?”*

*Amy Matsuo, Principal & Leader  
KPMG Regulatory Insights*



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*“Private equity firms should anticipate regulatory changes that will focus on the influence of corporate investors and M&A in relation to antitrust law, with the main regulatory signals to watch for being corporate governance and investor rights, financial stability and market integrity, tangible investor harm, and digital assets, innovation and technology.”*

*Glenn Mincey, Principal  
Private Equity Sector Lead*



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