

Three Regulatory Takeaways: Post-Election Shifts

November 2024



With a new presidential Administration coming, 2025 is poised to be a pivotal “Year of Regulatory Shift” as the new Administration looks to advance key initiatives while also working within the realities of what is feasible by way of legislation. In concert with nullifying or revising the prior Administration’s Executive Orders, expect the potential issuance of new Executive Orders in/around the following areas and the establishment of new agency leadership to drive execution:

1 Focus on
“Critical”
Security

2 Focus on
Resiliency

3 Reduction of
Regulatory
Burden

Potential 2025 Regulatory Activity

Legend	Decreased regulatory activity	● ↓
	Neutral	● ↔
	Increased regulatory activity	● ↑

Regulatory Area	New Administration	Legal Activity	State Activity
Cybersecurity/Information Protection	●	↔	↑
Trusted AI & Systems	●	↔	↑
Regulatory Intensity/Divergence	●	↑	↑
Fraud & Scams	●	↔	↑
Fairness & Protection	●	↓	↑
Financial & Operational Resiliency	●	↔	↔
Financial Crime	●	↔	↔
Parties & Providers	●	↔	↑
Markets & Competition	●	↓	↔
Risk Governance & Controls	●	↓	↔

1 Focus on “Critical” Security

With this Administration, significant changes are expected in department and agency leadership in order to help drive a reprioritization of the policy agenda. Much of the regulatory focus will center on what is deemed to be in the interest of critical security sectors/areas (e.g., infrastructure, banking, sanctioned countries, threat actors). Expect regulatory focus to include:

- Cyber and Information Protection, including evolving cyber threats (and threat actors), threat vulnerability detection, and cyber and operational resiliency with a particular focus on critical national infrastructure sectors.
- Financial & Operational Resilience, including contingency funding, identification and scenario analysis of critical operations, and event sizing/notification/disclosures.
- AI, including continued additional standards/frameworks with a potential for CISA (Cybersecurity & Infrastructure Security Agency)/others to tailor particularly to critical infrastructure sectors deemed to be of high national security. Desire to not “over-regulate” should that potentially impede innovation/adoption (Note: separately expect continued state rulemaking.)
- Financial Crime, including continued supervision and enforcement of safeguards against illicit finance activity (including by foreign “adversaries” and money laundering and terrorist financing threats), sanctions compliance, and know your customer controls.
- Fraud & Scams, including a focus on mitigating operational losses, as well as customer authentication and investigation processes.

2 Focus on Resiliency

Under the upcoming Administration, expect a decrease in inter-agency coordination (e.g., “whole of government” initiatives) and global coordination (e.g., adoption of BCBS (Basel Committee on Banking Supervision) standards, ISSB (International Sustainability Standards Board) disclosures) though a particular regulatory focus on:

- Markets & Competition, including a likely decrease in overall litigation/enforcement of antitrust/anticompetitive laws and regulatory standards as well as a more targeted regulatory focus on critical sector dependencies.
- Parties & Providers, including criticality ranking, and supply chain resiliency.

3 Reduction of Regulatory Burden

A core point of the new Administration (and likely put forth as government and corporate efficiency), anticipate a reduction of net-new rulemaking and/or specific tailoring of requirements as well as a likely ultimate lessening of overall supervisory and

enforcement activity (particularly should agency funding/resources in time be diminished). Areas likely to be highly impacted include both areas related to governance and controls and fairness and protection.

In conclusion, the coming Administration will bring agenda changes and a shift in regulatory priorities to be tied to the priorities of 1) national security, 2) US competitiveness and 3) reduction of “burdensome regulation”.

Stay tuned!

More insights into these areas and actions that companies can take to prepare/mitigate these regulatory risks coming in the KPMG Regulatory Insights Ten Key Regulatory Challenges of 2025 (to issue December 2024).



Contact



Amy Matsuo
Principal and National Leader
Regulatory Insights
amatsuo@kpmg.com

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