



First Quarter Regulatory Recap

Insights from Q1 2025

Q1 2025: Regulatory Pulse

The federal focus on "de-regulation" increases regulatory withdrawal/pullback while increasing overall regulatory divergence – globally and across states. Notable regulatory actions to date include:



First 100 Days: Industry Series

Industry	KPMG Insights	Regulatory Alerts/Articles
Consumer & Retail	<ul style="list-style-type: none"> • Quick Actions/Long Tail: With rapid “Day One” Energy actions, a recognition of the processes and dependencies that will be impacted by new policy directives. • Regulatory Withdrawals: A likelihood for a flurry of regulatory withdrawals, particularly related to climate and GHG, with growing global divergence. • Regulatory Shifts: A shift in regulatory approach to permitting processes, federal and state collaboration and public/private partnerships to help drive both energy and AI dominance, acknowledging the inter-relationship of these two sectors. 	First 100 Days: Upcoming Regulatory Signals for Consumer/Retail
Energy	<ul style="list-style-type: none"> • Quick Actions/Long Tail: With rapid “Day One” Energy actions, a recognition of the processes and dependencies that will be impacted by new policy directives. • Regulatory Withdrawals: A likelihood for a flurry of regulatory withdrawals, particularly related to climate and GHG, with growing global divergence. • Regulatory Shifts: A shift in regulatory approach to permitting processes, federal and state collaboration and public/private partnerships to help drive both energy and AI dominance, acknowledging the inter-relationship of these two sectors. 	First 100 Days: Upcoming Regulatory Signals for Energy
Financial Services	<ul style="list-style-type: none"> • Leadership Shifts: Acting leadership at FS agencies reprioritize their mission and regulatory focus, with statements supporting the Administration’s policy priorities. • Regulatory Withdrawals: Initial agency regulatory withdrawals have started (e.g., SEC SAB 121) with more expected swiftly. • Enforcement/Lawsuits Halted: In addition to new rulemaking, incoming agency leadership is largely asking for current enforcement/lawsuit activity to ‘pause’. • Upcoming Supervision/Enforcement: Future supervision/enforcement likely to focus on ‘core financial risk’, with states/state AGs more active in consumer protections. • Quick Actions: Expect rapid re-prioritized agency actions once leadership is in place (e.g., M&A guidance) but a longer timeline for those requiring Congressional action. 	First 100 Days: Upcoming Regulatory Signals for Financial Services
Healthcare & Life Sciences	<ul style="list-style-type: none"> • Quick Actions/Long Tail: Expect new leadership, including the ‘Make America Healthy Again’ Commission, to focus on a broad array of areas such as child health, vaccines, additives (e.g., food, chemical), nutrition, pricing/funding, transparency and conflicts of interest. • Leadership Shifts: Expect new leadership at HHS, FDA, CMS and DOJ to quickly re-prioritize their agency objectives, regulatory focus and enforcement activities, in line with Administration priorities/Executive Orders. • Regulatory Shifts: Anticipate initial pullback of select guidance and funding policies and shifts in net-new rules issuances (e.g., food additives, state-directed Medicaid). 	First 100 Days: Upcoming Regulatory Signals for Healthcare/Life Sciences
Industrial Manufacturing & Auto	<ul style="list-style-type: none"> • ‘America First’ Agenda: Expect continued/expanded use of tariffs, sanctions and/or bans (e.g., China), including sector-specific and tech-related products and services. • Regulatory & Inspection Pullback: Expect a general regulatory, inspection and enforcement pullback, inclusive of labor/workplace and anti-competition. • State Divergence: Expect increasing federal and state regulatory divergence (e.g., workplace safety, climate-related). 	First 100 Days: Upcoming Regulatory Signals for Industrial Manufacturing & Auto
Private Equity	<ul style="list-style-type: none"> • Regulatory Modification: Initial agency regulatory changes expected to focus on the influence of corporate investors (e.g., proxy voting) and M&A relative to antitrust law. • Potential for Change: Expect potential pullback from changes in areas like agency objectives, actions under the Congressional Review Act, and/or legal action/challenge. • Upcoming Supervision/Enforcement: Future supervision/enforcement likely to focus on evidence of investor harm and ‘bad actors’; a re-direction of enforcements (e.g., FCPA, crypto/digital assets) is likely. 	First 100 Days: Upcoming Regulatory Signals for Private Equity
Tech, Media, & Telecom	<ul style="list-style-type: none"> • New Policies: Incoming leadership at agencies focused on technology regulations (e.g., FCC, FTC) are quickly adjusting the regulatory stance with a focus on “de-regulation” and national security. • Regulatory Pullback: Expect a push for innovation and competition in technology, and the embracing of a more diminished federal regulatory focus. • Investigations/Actions: Expect continued rapid reprioritized agency statements and investigations (e.g., public funding, content moderation policies), and associated quick industry actions. 	First 100 Days: Upcoming Regulatory Signals for Tech, Media & Telecom

First 100 Days: Topical Series

Topic	KPMG Insights	Regulatory Alerts/Articles
'Deregulation'	<ul style="list-style-type: none">• 'Deregulation' is not 'No Regulation': Despite new directives, shifts in enforcement intensity and priority, and select rule rescissions, existing regulations stand and require ongoing adherence.• New Rulemaking to Plummet: Expect ongoing withdrawals of proposed rules, modifications to existing regulations, and the increasing use of statements vs. guidance.• Quick Investigation/Enforcement Shifts: Expect enforcement activities to focus on the "letter of the law", and cases to include those deemed "egregious" under the new Administration's directives and to be impacted by workforce reductions and mission/enforcement shifts (e.g., FCPA, CTA).• Global Pressures: Expect the Administration to continue pressure globally to "de-regulate", including but not limited to technology regulations (e.g., DSA, AI Act).	First 100 Days: Upcoming Regulatory Signals for 'Deregulation'
AI/Tech	<ul style="list-style-type: none">• Patchwork of AI Regulations: With more than 800 bills introduced in 48 states so far in the 2025 legislative session, anticipate increasing regulatory divergence and complexity.• Interplay Between AI Regulations, Privacy and Energy: Expect regulatory changes to focus on the interplay between AI laws and regulations and energy infrastructure, with state-level regulation shifting to AI systems safety and privacy.• Existing Regulations Apply: Despite the trend toward deregulation, existing regulations still apply to AI technology and applications.	First 100 Days: Upcoming Regulatory Signals for AI
Cyber and Privacy	<ul style="list-style-type: none">• Innovating Cyber & Protecting Privacy: Recognition of cyber risks, and the interplay between innovation and data privacy amidst priorities for innovation, speed and competitiveness.• Shifts in Federal Role: Infrastructure and cyber preparedness a focus of states; a general pullback on federal advisory councils.• State Expansion: State privacy and cyber bills expand in concert with proposed AI legislation; efforts to "fill the gap".	First 100 Days: Upcoming Regulatory Signals for Cyber and Privacy

Q1 2025: Regulatory Alerts



Topic	KPMG Insights	Regulatory Alerts/Articles
CTA Beneficial Ownership	<ul style="list-style-type: none"> Interim final rule issued on beneficial ownership information (BOI) reporting submission date and limits reporting to foreign companies Changes estimated to significantly decrease the number of businesses required to report CTA and BOI reporting meant to enhance transparency and combat financial crimes 	Special Alert: CTA Beneficial Ownership Information (BOI) Reporting
Fraud/ Financial Crime	<ul style="list-style-type: none"> Increasing Fraud Losses. Fraud losses reported by consumers and companies in 2024 totaled more than \$12.5 billion, a 25 percent increase over 2023 reported losses. Top Concern. The most common category of complaints in 2024 was “Credit Bureaus and Information Furnishers” followed by “Identity Theft” and “Imposter Scams”. Highest Reported Losses. Consistent with 2023, the highest reported aggregate losses (where a payment method was identified) were related to bank transfers & payments and cryptocurrency. 	Fraud, Identity Theft, and Other Scams
Digital Assets	<p>The new Administration convened the first “Crypto Summit”, chaired by the AI & Crypto Czar and the Director of the President’s Working Group on Digital Assets. The key areas of discussion included legislation/regulation, financial innovation, and economic opportunities. Public comments related to regulatory matters included the:</p> <ul style="list-style-type: none"> Newly announced Executive Order establishing a Strategic Bitcoin Reserve End of “Operation Chokepoint 2.0” focused on crypto/digital assets and related innovation Current Congressional efforts to introduce legislation intended to provide regulatory certainty for a dollar-backed stablecoin and digital assets market Treasury Secretary’s direction to the OCC to rescind and/or amend all applicable previous guidance 	Special Alert: Digital Assets/Cryptocurrency Regulation
Securities	<p>The Securities and Exchange Commission (SEC) extends the compliance date and provides a temporary exemption for parts of its December 2023 final rule amending the standards applicable to covered clearing agencies (CCAs) for U.S. Treasury Securities. The SEC states it is taking these actions to:</p> <ul style="list-style-type: none"> Allow additional time to ensure proper implementation and validation of operational changes Facilitate a smooth transition and compliance with new risk management rules and to address any operational issues that may arise. 	SEC Amended Final Rules: Clearing for US Treasury Securities
CFPB Activities	<p>Reports indicate that the newly appointed OMB head will be Acting Director of the Consumer Financial Protection Bureau (CFPB - replacing the Treasury Secretary who was previously named Acting Director) and has swiftly issued multiple directives to CFPB staff including immediate:</p> <ul style="list-style-type: none"> Ceasing of all supervision and examination activity. Ceasing of all stakeholder engagement. No issuing any public communications. 	Special Alert: New CFPB Acting Director; Additional Pauses on CFPB Activities
FCPA and Money Laundering	<p>The new U.S. Attorney General, head of the Department of Justice, has issued a Memorandum that reprioritizes the Criminal Division’s enforcement focus. In particular, the Memorandum directs:</p> <ul style="list-style-type: none"> The Criminal Division’s Foreign Corrupt Practices Act Unit (FCPA Unit) to prioritize investigations related to foreign bribery that facilitates the criminal operations of Cartels and Transnational Criminal Organizations (TCOs). Examples include bribery of foreign officials to facilitate human smuggling and the trafficking of narcotics and firearms. The FCPA Unit to shift away from cases that do not involve such a connection. 	Special Alert: DOJ Signals – FCPA and Money Laundering Enforcement

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