

## Cabinet News and Views

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### SEC Adopts a Rule Prohibiting Conflicts of Interest in Certain Securitizations



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On November 27, 2023, the Securities and Exchange Commission adopted Rule 192 under the Securities Act of 1933, a rule that is designed to prohibit “material conflicts of interest” in certain securitizations. Rule 192 implements Section 621 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was codified as Section 27B of the Securities Act.

Subject to certain exceptions, Section 27B prohibits certain participants in asset-backed securities securitization transactions from engaging in transactions within a designated time period that would involve or result in any “material conflict of interest.” Section 27B directed the Commission to issue rules implementing this prohibition no later than 270 days after the enactment of Dodd-Frank (*i.e.*, within 270 days of July 21, 2010).

Further details are discussed in our recent Client & Friends Memo [here](#) authored by Maurine Bartlett and Michael Gambro.

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