



## Enforcement Insights

### Updated SEC Enforcement Manual Released Amidst Stalled SEC Enforcement

April 15, 2026

On February 24, 2026, the SEC's Enforcement Division **announced** significant updates to its Enforcement Manual (Manual), including revisions to the Wells process, corporate cooperation credit, consideration of collateral waivers, and criteria for criminal referrals.

The revised Manual provides that SEC enforcement staff (Staff) are now expected, where feasible, to provide advance oral notice before issuing a Wells notice and to be more forthcoming about the key evidence gathered during the investigation. Wells recipients will now generally have four weeks to submit a response, and requests for post-Wells meetings, with senior leadership present, will typically be granted within four weeks of a Wells submission. Additionally, the revised Manual provides specific substantive guidance as to how to make a Wells submission most effective, delineating eight key elements of a successful Wells submission. Taken together, these changes reflect a more structured and transparent Wells process, with greater senior-level oversight, while also providing respondents with clear expectations and a more meaningful opportunity to present their position before recommendations are finalized.

The revised Manual also provides detailed guidance on how the Enforcement Division will evaluate cooperation, provides specific examples of "effective remediation" and "exemplary cooperation," and expressly recognizes the possibility of a "zero-penalty settlement" in appropriate cases. Under the revised Manual, cooperation credit will generally be available when a company comes forward before (i) the Staff learns of the misconduct from another source; (ii) there is an imminent threat of disclosure or investigation; (iii) any media attention; and (iv) another regulator opens an investigation. Effective remediation includes disciplining or terminating responsible employees, making prompt corrective disclosures, and strengthening internal controls. Exemplary cooperation includes summarizing investigative findings, identifying key documents and witnesses, and, generally, taking affirmative steps that assist with the SEC's investigation.

The revised Manual further memorializes the SEC's restoration of its pre-2021 practice of allowing a settling party to ask that the Commission consider an offer of settlement and, at the same time, request waivers from automatic disqualifications and other consequences triggered by the underlying enforcement action.

Finally, the revised Manual provides that Staff should consider six factors when deciding whether to refer possible violations to criminal law enforcement authorities, including (i) the harm or risk of harm; (ii) the potential gain to the defendant; (iii) whether the defendant had specialized knowledge; (iv) whether the defendant knew the conduct was harmful or illegal; (v) whether the defendant is a recidivist; and (vi) whether the referral would provide additional investor protection.

Despite revisions to the Manual, SEC enforcement remains slow. On February 11, 2026, Stryker disclosed in its 10-K annual report that the SEC had **closed** its investigation into potential violations of the FCPA without taking any enforcement action. The disclosure follows Stryker's May 2025 securities filing disclosure that DOJ had closed an FCPA inquiry without further action. On March 16, 2026, Judge Margaret Ryan resigned from her post as Director of the Enforcement Division. Principal Deputy Director Sam Waldon has been named Acting Director of the Division with a permanent successor expected to be announced in the coming weeks.