Trump Administration temporary freeze on regulations

Reince Priebus, Assistant to the President and Chief of Staff, on January 20, 2017, sent a memorandum to heads of executive departments and agencies, on behalf of President Trump, directing a temporary freeze on new and pending regulations, pending review by the incoming administration.

Subject to exceptions for certain emergencies and other urgent situations (and for regulations subject to statutory or judicial deadlines), the memorandum requests that:

1. No regulation should be sent to the Federal Register until a department or agency head appointed or designated by the President after noon on January 20, 2017 (Inauguration Day) reviews and approves such regulation.
2. Regulations that have already been sent to the Federal Register but have not yet been published should be immediately withdrawn from the Federal Register for review and approval, as described above.
3. With respect to regulations that have been published in the Federal Register but have not yet taken effect, the effective date should be temporarily postponed for 60 days from January 20, 2017, for purposes of reviewing questions of fact, law, and policy raised (subject to the exception above for emergencies and urgent situations and to the extent permissible by applicable law). Where appropriate and permissible by applicable law, agency and department heads should consider proposing for notice and comment a rule to delay the effective date beyond that 60-day period and, possibly, proposing further notice-and-comment rulemaking.

The memorandum applies to “any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking,” and also covers any agency statement of general applicability and future effect “that sets forth a policy on a statutory, regulatory, or technical issue or an interpretation of a statutory or regulatory issue.”
KPMG observation

Reince Priebus’s memorandum does not include a special exception for tax regulations.

It is common for a new Administration to issue a temporary freeze on some regulations. See, for example, the memorandum issued by Rahm Emanuel (President Obama’s then Chief of Staff) on January 20, 2009, and the memorandum issued by Andrew H. Card (President George W. Bush’s then Chief of Staff) on January 20, 2001.

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