



Regulation Best Interest, Form CRS and the Standard of Conduct for Investment Advisers

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Ellen M. Bruno is the President of Compliance Advisor Professionals, LLC. She has worked in the securities industry for over thirty years. In addition to her certifications, she is a specialist in investment advisor compliance and registration issues.

Ms. Bruno is a Certified Public Accountant, Personal Financial Specialist, a Chartered Global Management Accountant and the former Chair as well as a current member of the Legislative/Regulatory Task Force of the Personal Financial Planning Executive Committee of the AICPA.

She is frequently invited to speak on securities industry compliance matters and investment adviser compliance regulations. She additionally holds a BS in Management/Accounting from the University of Massachusetts.

SEC Rules Update

- June 2019 SEC Open Meeting Agenda
- Historical Perspective
 - DOL Fiduciary Rule
 - April 2018 Open Meeting Proposed Rule
 - June 2019 Rule Adoption

Meeting Results

- Regulation Best Interest
 - Standard of Conduct for Broker-Dealers
 - Standard of Conduct for Investment Advisers
- Form CRS Relationship Summary
- Interpretation of “Solely Incidental”

Broker-Dealer Regulations

- Regulation Best Interest and Interpretation of “Solely Incidental”
- Impact to Dually-Registered Investment Advisers

Regulation Best Interest Standard of Conduct for Investment Advisers

- Interpretation of RIA Fiduciary Duty
 - Duty of Loyalty
 - Conflicts of Interest
 - Use of “may” in disclosure
 - Duty of Care
 - Understanding individual client
 - Ongoing advice
 - Aggregate trades and model accounts

Form CRS

Customer Relationship Summary

- Content Parameters of Form CRS/Form ADV Part III
 - Services and client relationships
 - Fees, costs, conflicts of interest, standard of conduct
 - Disciplinary history
 - Additional information and resources

Form CRS (continued)

- Form CRS Formatting Requirements
 - Written in plain English
 - Two page maximum
 - Prohibition against information not required by instructions
 - Must follow SEC's Q & A format – “conversation starters”

Form CRS

Compliance Requirements

- Filing Requirement
 - Becomes Form ADV Part III
 - Updated annually or upon material change
 - IARD
- Delivery Requirement
 - Every client or prospect
 - At beginning of relationship/prior to initial trade
 - Best practices

Additional Resources

SEC Webcasts

- https://www.sec.gov/video/webcast-archive-player.shtml?document_id=060519openmeeting
- https://www.sec.gov/video/webcast-archive-player.shtml?document_id=041818openmeeting

Additional SEC Resources

- <https://www.sec.gov/news/press-release/2019-89>
- <https://www.sec.gov/rules/final/2019/34-86032-appendix-b.pdf>
- <https://www.sec.gov/rules/final/2019/34-86032.pdf>

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