

SEC REGULATION BEST INTEREST AND FORM CRS

SEC Regulation Best Interest (Reg BI) compliance is an expansive regulatory challenge that impacts the fundamental business structure of financial services organizations as it creates new regulatory and compliance risks. The development of core Reg BI compliance and supervisory components will help firms address the burden of compliance departments in the broker-dealer industry.

Reg BI, which was approved by the SEC on June 5, 2019 and went into effect June 30, 2020, sets new conduct standards for broker-dealers. To ensure Reg BI compliance, broker-dealers must adhere to a package of rules and interpretive guidance directing them to act in the “best interest” of their clients. The package also includes new compliance requirements and guidance for both broker-dealers and investment advisers concerning the new obligations owed to retail investors.

HOW BATES COMPLIANCE CAN HELP

Bates Group’s Compliance team helps firms implement Reg BI, Form CRS, and enhance compliance concerning investor and consumer protection standards.

We can help you navigate:

- Disclosure obligations
- Duty of care obligations
- Conflicts of interest obligations
- Additional compliance obligations

BATES CAN ALSO ASSIST YOU WITH:

- Developing and reviewing Reg BI Client Relationship Summary (“Form CRS”)
- Navigating additional compliance requirements for BDs and IAs
- Understanding new SEC guidance concerning the “Solely Incidental” registration exemption of the Investment Advisers Act
- Impact and readiness assessments
- Conflicts of interest inventory
- Conflicts of interest assessment
- Product shelf reviews
- New product approval processes
- Drafting new policies and procedures
- Data capture and recordkeeping
- Reg BI and Form CRS gap analysis and risk assessment
- Consistency reviews
- Training for compliance and sales professionals on how to comply with Reg BI and Form CRS

DISCOVER THE BATES COMPLIANCE DIFFERENCE

CONTACT US TODAY AND LET BATES COMPLIANCE HELP
WITH YOUR REG BI AND FORM CRS NEEDS



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ABOUT BATES COMPLIANCE:

The Bates Compliance team of senior compliance staff and former regulators brings tailored consulting services and solutions to financial services clients on an as-needed or ongoing basis. Bates assists with Reg BI and Form CRS, disclosures, conflicts of interest, supervision, risk assessments, WSPs, annual compliance reviews, mock exams, regulatory remediation, and internal audits. We review and test firms' programs, policies and procedures, recommending changes based on regulatory requirements and best practices designed to supplement and enhance compliance and supervisory systems, and to remediate the results of regulatory and internal audit findings.