

BATES COMPLIANCE SOLUTIONS

REDUCE YOUR COMPLIANCE BURDEN WITH BATES GROUP'S REGULATION BEST INTEREST SOLUTIONS

Regulation Best Interest (“Reg BI”) is an expansive regulatory change that will impact the fundamental business structure of financial services organizations and create new regulatory and compliance risks. The development of core compliance and supervisory components will help firms address the burden of compliance departments in the broker-dealer industry.

The SEC voted on June 5th, 2019 to approve a set of proposals setting new conduct standards for broker-dealers. Reg BI is part of a package of rules and interpretive guidance directing broker-dealers 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.

DEADLINE INFORMATION

The adoption of Reg BI by the SEC marks the start of a very short compliance implementation phase. The SEC stated that the interpretative guidance will be effective upon publication in the Federal Register. (The rules and forms will be effective 60 days later.) Broker-dealers must begin complying with the new rule, and broker-dealers and investment advisers must prepare, deliver to investors, and file the customer relationship summary by June 30, 2020.

HOW BATES CAN HELP

BATES GROUP'S COMPLIANCE CONSULTANTS HELP GUIDE YOUR FIRM THROUGH THE IMPLEMENTATION PHASE OF REG BI.

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 the new Reg BI Client Relationship Summary (“CRS”) for retail investors
- 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

CONTACT US TODAY AND LET BATES GROUP HELP YOU WITH YOUR REG BI IMPLEMENTATION



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ABOUT BATES:

Bates Group's Compliance Solutions 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 implementation, 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 remediate the results of regulatory and internal audit findings.