

Publications

SEC Finalizes Regulation Best Interest, Form CRS Disclosure, and Interpretive Guidance Compliance Required by June 30, 2020

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PUBLISHED

06/05/2019

SOURCE

Groom Benefits Brief

SERVICES

Retirement Services

- IRAs/HSAs
- Investment of Plan Assets
- Financial Institutions & Advisers

Today, on June 5th, the Securities and Exchange Commission (“SEC”) voted, 3 to 1, in favor of adopting “Regulation Best Interest,” a new rule to establish a standard of conduct for broker-dealers and natural persons who are associated persons of a broker-dealer when making a recommendation to a retail customer of any securities transaction or investment strategy involving securities.

SEC also adopted “Form CRS Relationship Summary” which consists of new and amended rules and forms to require registered investment advisers and registered broker-dealers to provide a brief relationship summary to retail investors.

SEC also adopted two interpretations from the Division of Investment Management, one regarding the standard of conduct for investment advisers and the other regarding the solely incidental prong of section 202(a)(11)(C) of the Investment Advisers Act of 1940.

By **June 30, 2020**, registered broker-dealers must begin complying with Regulation Best Interest and broker-dealers and investment advisers registered with the SEC will be required to prepare, deliver to retail investors, and file a relationship summary.

This new regulation and disclosure obligation will impact the provision of services to retirement investors, particularly plan participants, and to IRA owners. The attorneys at Groom Law Group are available to discuss the impact on both the provision and receipt of investment services in the retirement industry.

The text of the adopted materials are attached in the links below.

[Form CRS Relationship Summary; Amendments to Form ADVDownload](#)

[Regulation Best Interest – The Broker-Dealer Standard of ConductDownload](#)

[Commission Interpretation Regarding Standard of Conduct for Investment AdvisersDownload](#)

[Uniform Application for Investment Adviser Registration and Report Form by Exempt Reporting AdvisersDownload](#)

[Commission Interpretation Regarding the Solely Incidental Prong of the Broker-Dealer Exclusion from the Definition of Investment AdviserDownload](#)

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