

THIS MONTH IN COMPLIANCE:

Form CRS Reminders

Annual Risk Assessment

FORM CRS – ARE YOU READY?

By now, firms should have received a DRAFT Form CRS for review or have even finalized your firm's version for the June 30th filing deadline. If you have retained Compliance Resource Partners to prepare the Form CRS package, stay tuned for Policies and Procedures language as well as a training memo for your IARs on June 15th. **For now, just a few CCO reminders so are prepared to implement this rule by June 30th:**

1) IS YOUR TECH DEPT READY FOR UPDATING WEBSITE? SCHEDULE TIME WITH YOUR TECH DEPARTMENT NOW TO ENSURE COMPLIANCE WITH WEB POSTING

FORM CRS MUST BE POSTED TO FIRM'S WEBSITE BY JULY 30TH

- FORM CRS is required to be posted prominently on the firm's public website, if you maintain one.
- Location and format of the posting should be easily accessible to retail investors and provide a means of facilitating access to any information that is referenced in Form CRS (e.g., hyperlinks to fee schedules, conflicts disclosures, the firm's narrative brochure or other regulatory disclosures). If Form CRS is delivered in paper format, firms may include URL addresses, QR codes, or other means of facilitating access to such information.
- Firms may consider adding a disclosure on their website indicating Form CRS applies only to RETAIL clients.

2) MAKE SURE FIRM AGREEMENTS ARE UPDATED FOR RECEIPT OF DISCLOSURE DOCUMENTS

UPDATE FIRM AGREEMENTS BY JUNE 30TH

- Update Firm Advisory Agreement (under Receipt of Disclosure Documents) to include "Form CRS" to Disclosure section of each firm Agreement

SAMPLE language in the Base Advisory Agreement(s):

Adviser hereby represents and warrants that it has provided to Client a written disclosure statement as required by Rule 204-3 under the Investment Advisers Act of 1940 or similar State statutes. Client acknowledges receipt of: (a) Adviser's Form ADV, Part 2A, [Wrap Brochure], 2B (b) Adviser's Notice of Privacy Practices and (c) Form CRS.

3) GET READY FOR DELIVERY TO CLIENTS IN JULY

DELIVER COPY OF FORM CRS TO CLIENTS BY JULY 30TH

- Initial delivery of Form CRS to existing clients** must be made 30 days after the filing deadline (July 30th)
 - CRP will provide SAMPLE Cover letter on June 15th with language explaining the new Rule and reason for delivery of this new disclosure document.
 - Delivery can be made electronically to clients with electronic consent on file.
 - Hard copy mailings must be provided to clients to those who have not consented to electronic delivery.
- Ongoing delivery of Form CRS to new Clients** must be made upon entering into an investment advisory contract annually along with Part 2A Brochure material changes and if material updates trigger more prompt delivery of the document.
- As stated in the Rule – **Form CRS be placed on top of your firm's disclosure packet meaning this will be in front of the Part 2A Brochure and 2B Supplements** when delivered electronically or hard copy to clients.

THIS MONTH IN COMPLIANCE:

Form CRS Reminders
Annual Risk Assessment

ANNUAL RISK ASSESSMENT

A risk assessment has become a standard document request for regulators and goes a long way in describing and developing your compliance program. CRP has developed a template that will assist in your risk assessment and review areas for your firm. In the attached template, we have broken down critical compliance topics required within your Investment Adviser, and we highly recommend that you to perform a risk assessment on these required topics. While the attached format is similar to year's past, we have updated the resources and incorporated new topics we feel necessary for your firm to address. This is also an annual opportunity for the firm to review areas of the Compliance Manual and implement any revised procedures from the previous year, if necessary.

While working through each topic, please list all current controls and then score out columns A,B,C,D to determine the Target Review Cycle. If you identify an area of high risk to your firm, you will be expected by regulators to address those risks and conflicts with policies and procedures. We are here to assist in helping to revise your policies and procedures. After you have completed the assessment, and remediated highlighted risk areas, please retain a copy in your RISK ASSESSMENT file.

MONTHLY COMPLIANCE TASKS

Please be sure to check your SmartRIA CCO portal to keep up with your monthly Compliance tasks.

Finding it hard to login and document your monthly tasks and review oversight on SmartRIA? We have a solution! Refer to the attached checklist- Just print it out, and work through the task reminders. Be sure to retain this checklist in your "Testing" Compliance Files. If you rather use the hard copy checklist and you are not utilizing Smart RIA, please let us know.