

THIS MONTH'S RESOURCE: Training Investment Adviser Representatives (IAR) *Working with Seniors*

ENHANCED TRAINING SERIES FOR IARS

In an effort to provide enhanced IAR training throughout 2021, CRP will provide a Sample PowerPoint Slide Deck on select topics from the SEC priority list and/or have been a focus of past exam initiatives. Additionally, these sample training modules will readdress a firm's policy and procedure as set forth in a firm's Compliance Manual. Providing additional training to IARs throughout the year will go a long way in an exam. Regulators request what training is provided to IARs on your policies and procedures. In addition to regulatory requests, this also demonstrates a firm's commitment to compliance and creating a culture of ongoing compliance. Be sure to record who completed the training and what materials were used. Our 2021 quarterly series will be sent out in *This Month's Resource* for February, May, August, and November. Firms are encouraged to tailor the presentation to fit their own practice.

FEBRUARY'S TOPIC – WORKING WITH OUR SENIOR CLIENTS

A few years ago, the SEC initiated examinations of investment advisers concerning their practices in working with Senior Clients. According to the SEC, a "Senior Client is defined as any retail advisory client who is age 62 or older, retired, or transitioning to retirement, including accounts of deceased clients, and retail clients in joint accounts with at least one individual meeting this definition." We believe we are in the early stages of regulation and examinations of investment issues related to senior investors. It is anticipated the SEC (and State regulators) will be more active in this area going forward with the implementation of Reg BI and Form CRS last year and increased scrutiny on products being offered to those in retirement. Further, the 2020 SEC priority list included a focus on recommendations and advice given to retail investor protection including seniors and those saving for retirement. Firms should be prepared to demonstrate how they oversee their interactions with senior investors. This includes inquiry on what specific services and products are offered to seniors and a review the manner of how they are offered to seniors. Most importantly, are IARs aware of the red flags for identifying elder financial abuse or diminished capacity and what are the reporting requirements if detected.

HOW CAN YOU PREPARE YOUR FIRM?

- **Provide periodic or annual training to IARs** to identify red flags for elder financial abuse and diminished capacity to ensure a high level of awareness within your firm.
- **Train your IARs on how to escalate the matter** when red flags are identified.

[CCO RESOURCE: USE OUR 'WORKING WITH SENIORS' POWERPOINT PRESENTATION TEMPLATE \(ATTACHED\)](#)

- **Review each of the SEC's requests**, determine the appropriate responses for your firm, and document those decisions in your policies, and review and update those practices periodically. Sample SEC Exam questions include:
 - *Provide any policies and procedures designed to address issues associated with clients who are Senior Clients and perceived by the Adviser to have possible issues associated with diminished capacity or competence. (Refer to CRP Compliance Manual language)*
 - *Provide any policies and procedures concerning the handling of client requests for changes to beneficiaries, including all policies and procedures concerning monitoring and supervision relating to changes to beneficiaries. (Does your firm review annually and document review?)*
 - *Provide any policies and procedures that contemplate or consider establishing a trusted point of contact in the case the client(s) have a diminished capacity or competence. (Refer to CRP Compliance Manual language & Sample Trusted Contact Form)*
 - *Provide any policies and procedures designed to facilitate the transition of a Senior Client from actively employed to a retired status (e.g., communication with a client to setup an updated investment profile).*