

MONTHLY COMPLIANCE TASKS

Please be sure to check your SmartRIA CCO portal to keep up with your monthly Compliance tasks or utilize the CCO Scorecard included in our This Month in Compliance email. Please contact the following for:

- **Login and Portal Requests:** Sara Sparks: ssparks@thecomplianceresource.com
- **Task Related Questions:** Nancy Harry: nharry@thecomplianceresource.com
Stacie Craddock: scraddock@thecomplianceresource.com
Sara Sparks: ssparks@thecomplianceresource.com

ANNUAL COMPLIANCE MEETING

Section from SEC's Final Rule on Code of Ethics - <https://www.sec.gov/rules/final/ia-2256.htm>

*Under Rule 204A-1, an Adviser's Code of ethics must require the adviser to provide each supervised person with a copy of the code of ethics and any amendments. The code must also require each supervised person to acknowledge, in writing, their receipt of those copies. While some commenters opposed this requirement, most who addressed it were supportive. Some commenters went further and recommended that we mandate that advisers educate employees on the code of ethics. An investment adviser's procedures for informing its employees about its code of ethics are critical to obtaining good compliance and avoiding inadvertent code violations. **Although we do not believe it is necessary to require employee education as an element of codes of ethics, we expect most advisory firms will ensure that their employees have received adequate training on the principles and procedures of their codes. Many firms that have already implemented codes of ethics hold periodic orientation or training sessions with new and existing employees to remind them of their obligations under the code. Others may require employees to certify that they have read and understood the code of ethics and require annual recertification to re-read, understand, and comply with the code. We are not mandating any of these procedures, but they are among the best practices for advisers.***

Have you scheduled your firm's Annual Compliance Meeting? This month we provide a Base PowerPoint Compliance Meeting presentation to be further customized and tailored to your firm's process and procedures. An annual compliance meeting should be the cornerstone of every investment advisor's compliance program. To be effective, compliance policies and procedures require communication with and training of the advisor's personnel. The annual compliance meeting can serve this purpose. When the CCO does the annual review of the compliance program, the annual compliance meeting is your documentation of the firm's compliance program and supervised person training. Regulators continue to emphasize the need for investment advisors to develop a culture of compliance. Investment advisors must develop a way to ensure that all supervised persons understand their roles in helping the firm maintain a strong culture of compliance. Educating and communicating with all supervised persons is crucial to this process, and although not expressly required under the rule, an annual compliance meeting is an effective way for you to accomplish this instruction.