

SEC Charges 27 Firms for Form CRS Failures

It appears that the grace period for compliance with Reg BI and Form CRS has come to an end, as the **SEC announced charges against 27 firms** for failure to timely file and deliver their Form CRS to clients.

In its press release, the SEC's Director of the Enforcement Division Gurbir S. Grewal, reminded that "Registration with the SEC as an investment adviser or broker-dealer comes with mandated filing and disclosure obligations."

News

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FOR FORM CRS
FAILURES

SEC PRESS RELEASE

Each of the firms charged, missed those deadlines, and the SEC found that none of the firms filed, delivered, or posted their Form CRS to its website until being twice reminded by the regulators.

With civil penalties ranging from \$10,000 - \$97,500, it offers invaluable perspective on the cost of non-compliance.

For one Rhode Island Investment Adviser, these failures landed them a \$25,000 civil penalty and a bruised reputation. **That same \$25,000 could have been applied toward a 3-5-year technology software license with BasisCode Compliance**, where they could have easily documented their process and

seamlessly tracked and verified the delivery of their Form CRS to each of its retail clients.

That same technology license would have supported:

1. managing their risk assessments
2. testing of internal controls
3. employee certifications and attestations
4. employee conflicts
5. personal trading
6. advertising reviews with an included mobile app

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