

Regulation Best Interest Introduction

On June 5, 2019, the Securities Exchange Commission adopted Regulation Best Interest (Reg BI), with full implementation and compliance by June 30, 2020.

The rule establishes a new standard of conduct when making a recommendation to a retail customer, stating you must act in the best interest of the retail customer at the time of recommendation, without placing your financial or other interest ahead of the retail customer's interest.

4 Obligations of Reg BI

- **Duty of Care**
- **Disclosure**
- **Conflict of Interest**
- **Compliance**

Key Terms

- **Retail Customer**
- **Non-retail Customer**
- **Recommendation**
- **Reasonable Alternatives Evaluation**
- **Conflict of Interest**

Form CRS: Client Relationship Summary; Amendments to Form ADV

- **Required Content & Format**
 - Intro to the firm
 - Description of relationship & services, fees & costs, standard of conduct, disciplinary history, and where to find additional info
 - Prescribed “conversation starters”
 - Plain English and must not exceed 4 pages for dual registrants
- **Delivery Method**
 - In person
 - Electronically
- **When to Deliver**
 - Initial
 - On-going
- **Recordkeeping of Delivery**

Reaffirmation of Investment Advisors’ Fiduciary Duty

- **Duty of Care**
- **Duty of Loyalty**

Things to Think About