



Form CRS – Filed! Now what?

Initial Delivery to Current Retail Clients Deadline: July 30th, 2020

Delivery

Paper Delivery:

If your firm chooses to deliver the Form CRS in paper format to a retail investor, there are a couple considerations. First, the Form CRS can be delivered as a standalone document or as an addition to a package of documents that your firm would normally send to clients at this time, such as a quarterly account statement or client report. Additionally, if your firm is choosing to send out the Form CRS as part of a package of documents, then you must ensure that the Form CRS is included as the first document among the other documents within the package.

Electronic Delivery:

The document can also be delivered electronically as long as there is 1) notice to the investor that the information is available electronically; 2) access to the information is comparable to what would have been provided in paper form and is not so difficult for a retail investor to access that they cannot view the information; and 3) reason to believe that the retail investor has received the document. Written consent from the client is required to take advantage of electronic delivery.

Future Delivery

Future Delivery Requirements:

Your firm must deliver the Form CRS to all prospective clients at or before you open a new account that is different from the retail investor's existing account, recommend that the retail investor roll over assets from a retirement account into a new or existing account or investment, or recommend or provide a new brokerage or investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account. Additionally, if a client were to request a copy of the Form CRS, your firm is responsible for completing that request and delivering a Form CRS to the client within 30 days of the request.

Posting the Form CRS Online

Online Posting Requirements:

As part of the Form CRS requirements, advisers are required to post a link to their Firm's Form CRS on their website. This link must be featured prominently so that a retail client can easily find the document.

Compliance Readiness

The Office of Compliance Inspections and Examinations ("OCIE") released a Risk Alert in April 2020 regarding specific examination focus areas surrounding Form CRS. Examinations of firms with retail investors that are conducted after June 30, 2020 may include a section relating to Form CRS in the following areas:



Content

- Whether the firm's relationship summary contains all the required information, and if that information is true and accurate.

Format

- Is the firm's relationship summary written in plain English?
- Are the required language and statements included in the document?

Updates

- Examiners may review a firm's policies and procedures to ensure they state how and whether a firm will update their relationship summary within 30 days of any information becoming materially inaccurate.
- Examiners may also assess how and whether a firm will update retail investors of changes made to a Form CRS within 60 days of any required updates.
- Additionally, examiners may choose to review the firm's process for highlighting and notifying retail investors of any changes to the relationship summary.

Read the full [Risk Alert](#).

Helpful Links

[Frequently Asked Questions on Form CRS](#)

[Form CRS Final Rule](#)

[Form ADV, Part 3: Instructions to Form CRS](#)