Regulatory actions, government investigations and litigation in a post-coronavirus world:
SEC and FINRA regulatory, examination, and enforcement priorities and processes

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Speakers

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SEC and FINRA regulatory, examination, and enforcement priorities and processes

Today’s discussion:

– SEC and FINRA examination and enforcement in a post-coronavirus world

– SEC and FINRA guidance and relief arising out of coronavirus developments

– Overview of CARES Act for broker-dealers and investment advisers
SEC and FINRA examination and enforcement in a post-coronavirus world
Exams

- Process

- Substantive areas
  - BCP
  - Valuation
  - Trading
  - Cybersecurity
  - Covid-19 scams
SEC and FINRA regulatory, examination, and enforcement priorities and processes

Enforcement

— Process

— Substantive areas
  • Misrepresentations/omissions/suitability
  • Product failures
  • Policies/procedures
SEC and FINRA guidance and relief arising out of coronavirus developments
SEC and FINRA guidance and relief arising out of coronavirus developments

SEC

– Conditional relief provided for Form ADV filing and delivery and Form PF filing
– FAQ guidance on the Advisers Act Custody Rule
– FAQ Guidance on Form ADV Part 1A, Item 1.F. and Section 1.F of Schedule D
– Reg BI and Form CRS– June 30th implementation – no delay
– Trading and markets staff statement regarding requirements for certain paper submissions
SEC and FINRA guidance and relief arising out of coronavirus developments

FINRA

- Regulatory Notice 20-08
- Cybersecurity alert

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Overview of CARES Act for broker-dealers and investment advisers
Overview of CARES Act for broker-dealers and investment advisers

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

The CARES Act provides emergency financial relief to individuals, businesses and specific industries in connection with the COVID-19 pandemic. The Act has a broad reach covering an array of stimulus measures including:

- direct cash payments to be made to households;
- enhanced unemployment benefits;
- loans to small businesses;
- changes to the rules governing employee benefit plans; and
- assistance to distressed industries.
Overview of CARES Act for broker-dealers and investment advisers

The availability of small business loans has been of particular and immediate interest.

- Paycheck Protection Program
- Economic Injury Disaster Loans

Broker-Dealer and Adviser Compliance Considerations
Questions?