

COMPLIANCE ALERT



SEC Sets 2023 Examination Priorities

It's that time of year again, when the SEC tells us what they'll be looking for during examinations in the coming months. That's not to say they won't still be looking for the tried and true issues of yesteryear. It's just that these are the particular bees in their bonnet right now:

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1. The New Marketing Rule: is your manual updated? Did you have some training on it? Are you following it?

2. Form CRS: Are you delivering it? Does it adequately mention conflicts?

3. ESG: Like we have always said, if you say anything about ESG, SRI or similar approaches to investing, you must do what you say you do. And of course, have documents to prove it.

4. Cybersecurity: Focus here is on documents describing your program and specifically, governance and responses to attacks.

5. Crypto: Do you have compliance tools in place to address the risks? Did you follow the standards of care when recommending these assets? If it was the client's idea, do you have documentation to prove it?

6. Fees and expenses: Are your fees calculated accurately? Do they match the documented client agreements? Are your fees excessive in the eyes of the Commission? Are you earning fees from things like cash sweep accounts?

7. Monitoring electronic communications: Are you monitoring for the use of texting without an archive? Do you review emails?

8. Third-party providers: Do you use anything for research? Any sub-advisors? Do you have adequate diligence files for them?

9. LIBOR: Will the transition away from LIBOR affect your clients or practice? Are you prepared for it?

As always, please contact us if you are not completely confident your firm is ready for an examination on these, or any other issues. 🐞

FRIENDLY REMINDERS

April 30th – Deadline to deliver your ADV and Privacy Notice to clients. (Applies to all Advisers)

April 30th – Check home state if there is a requirement to submit financials. Commonly it is 90 or 120 day after year-end. (Applies to state registered Advisers)

Before May 10th – Submit 13F report for EDGAR filing. (Advisers who meet threshold)



CE, IT'S NOT JUST FOR REGISTERED REPS

Continuing Education had been for registered representative of Broker Dealers. Now, CE is also rapidly being adopted for Investment Adviser Representatives. As of now, there are 12 states who have adopted CE for IARs. Since the North American Securities Administrators Association (NASAA) announced on November 30, 2020 that its membership voted to adopt a model rule to implement CE, more jurisdictions have been opting to participate. Currently the 12 jurisdictions are:

- Arkansas (1/1/2023 effective date)
- Colorado (1/1/2024 effective date)
- Kentucky (1/1/2023 effective date)
- Maryland (1/1/2022 effective date)
- Michigan (1/1/2023 effective date)
- Mississippi (1/1/2022 effective date)
- Oklahoma (1/1/2023 effective date)
- Oregon (1/1/2023 effective date)
- South Carolina (1/1/2023 effective date)
- Vermont (1/1/2022 effective date)
- Washington, D.C. (1/1/2023 effective date)
- Wisconsin (1/1/2023 effective date)

If you are an investment adviser representative (IAR) in any of these jurisdictions, regardless of the registration status of your firm, you must complete CE.

IAR CE credits will be tracked via a FINRA account. Finra has created a [helpful guide](#) for setting one up if you do not have one.

IARs must complete 12 credits (6 credits of Products and Practices and 6 credits of Ethics and Professional Responsibility). Credits are obtained by FINRA approved course providers who report CE credits directly to FINRA.

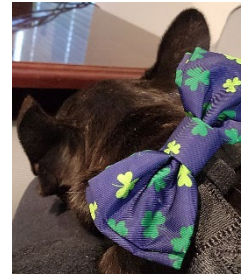
Contact us:

Swayze LLC
660 Newtown Yardley Road
Suite 105
Newtown, PA 18940
646-395-3900
www.swayzellc.com

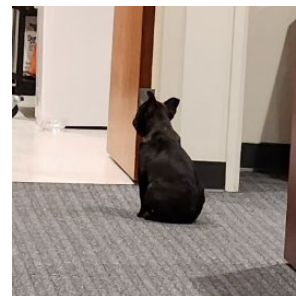
For more information and FAQ visit the [NASAA website](#) for details. 🐾

K-9 CORNER

Team Swayze welcomes Onyx! Rescued by Ashleigh Swayze, Onyx has been dressing appropriately in business casual attire as he comes to the office daily. He wears seasonal bowties, such as shamrocks for St. Patrick's Day. We've seen Eggs for Easter and we are looking for little American Flags!



We aren't 100% of what breeds Onyx is, but our money is on purebred cuteness (and maybe French Bulldog and Boston Terrier). One thing is for sure, he loves coming to the office! Each morning, he makes his rounds and wishes everyone a happy day. Then, mostly he naps while we look on at him jealously.



This little prince is definitely a mama's boy though as he sits and patiently waits every time she leaves, even for a minute. Feel free to show us your doggos! 🐾

