



News, Insights, and Disruptive Thinking from RiskPro WealthTech Visionaries

Behind
the SHIELD

REGULATORS ARE READY

Happy 25th Anniversary to the SEC's Office of Compliance Inspections and Examinations! Oh, by the way, OCIE is now called: "Division of Examinations" or just Division of EXAMS.

Since 2020 was a rough one when it came to actual face-to-face exams, it looks like the Division of EXAMS is geared up with over 1000 employees ready to get to work on their new priorities. According to the latest [report](#), the Division employees will not just focus on Regulation Best Interest (Reg BI) and fiduciary duties, but ESG, risk, technology, and industry trends (like "meme stocks"). There seems to be more than enough challenges for the Division to tackle through their risk-based approach, but what about your challenges as a firm?

Remember, as of June 2020, [Reg BI](#) enhanced the Securities Exchange Act of 1934 (which is applicable to broker-dealers and their registered reps), bringing their requirements in line with the fiduciary standards set for IARs under the Advisers Act of 1940.

Does your firm have a documentable methodology in place to meet standards of the Advisers Act for your IARs and the requirements of Reg BI under the Exchange Act for your registered representatives? If not, here are just a few things we do to move your firm quickly to Perpetual Suitability:

- RiskPro has a documentable risk profiling and portfolio proposal building process for financial professionals (advisers and brokers) that translates the risk/reward of the proposed investment(s) into clear language for everyone to understand. This proposal process meets regulatory requirements, including a section for Form CRS.
- RiskPro monitors every client account through a daily data feed that will alert the financial professional, along with the back office of the broker-dealer and/or RIA, if the account's risk level becomes unsuitable (no longer matching the investor's risk tolerance).
- RiskPro makes it easy to remedy the unmatched risk tolerance by documenting the process of client risk analysis updates, or portfolio re-allocations. *This is important, because making no changes, or "holding" securities in a portfolio, is an implied "recommendation" or "advice" given by the financial professional and firm under the SEC regulations.*

If you have yet to see how RiskPro can take a great weight off your shoulders at the firm level, it is not too late to get us in place.

AND, if you are an Envestnet customer, [just ask us](#) how to turn on your data for monitoring today!

Oh, you say you want to download and gaze upon the SEC's Official Report? [HERE](#) it is.



2077 West Coast Highway, Suite A
Newport Beach, CA 92663
Office: 866-583-8734

Disclosure: RiskPro® is an investment risk profiling and portfolio construction, and surveillance software as a service platform developed by ProTools, LLC ("ProTools"). ProTools is a technology company headquartered in Newport Beach, CA. RiskPro is a risk analysis tool that provides information only and not intended to provide investment advice. For more information, visit www.riskproadvisor.com



Julie Mochan, AIF®
Director, Digital Content
& Insights



On the web:
www.riskproadvisor.com

