



SEC Proposals

Regulation Best Interest, Interpretations Regarding the Standard of Conduct for Investment Advisers, and Consumer Relationship Summary (CRS)

Regulation Best Interest

- The Financial Planning Coalition (Coalition) believes the SEC was correct in taking the first step on the path to strengthening the standard of conduct applicable to broker-dealers who provide investment advice. However, the SEC's Regulation Best Interest proposal falls short of its intended goals and may lead to further investor confusion.
- Coalition stakeholders, who are CERTIFIED FINANCIAL PLANNER™ professionals, have broad experience applying the fiduciary standard across a variety of different business models.
- The Coalition will evaluate and provide comments to the SEC on its Regulation Best Interest proposal in the context of CFP Board of Standards' newly adopted Code of Ethics and Standards of Conduct, which are supported by FPA and NAPFA.

Interpretations Regarding the Standard of Conduct for Investment Advisers

- The SEC seeks to reaffirm and clarify investment advisers' fiduciary duty as interpreted by the courts and enforced by the SEC over many decades under the Investment Advisers Act of 1940.
- Commission is considering the addition of licensing and continuing education requirements for investment advisers that would reflect similar requirements already in place for broker-dealers.
- The Coalition through its members and certificants has direct experience with similar requirements and that experience and expertise will inform the Coalition's comments to the SEC

Consumer Relationship Summary (CRS)

- The CRS proposal includes a requirement that broker-dealers and investment advisers provide clients with a relationship summary known as Form CRS prior to providing retail investment services.
- Additionally, the CRS proposal would prohibit broker-dealers who are not dual registrants and affiliated persons (except for certain banks or individuals working on behalf of a bank, insurance company, municipal advisor, or commodity trading advisor) from using the words "advisor" or "adviser" in their names or titles unless the broker-dealer is registered as an investment adviser with the SEC or any state.
- The SEC did not restrict the use of the term "financial planner." The Coalition will encourage the SEC to prohibit financial professionals who identify or market themselves as financial planners from using the term "financial planner" in their names or titles unless they hold the CERTIFIED FINANCIAL PLANNER™ designation.