

INSIGHTS

## SEC Releases 2017 Examination Priorities

January 27, 2017

On January 12, 2017, the SEC's Office of Compliance Inspections and Examinations ("OCIE") published its 2017 examination priorities.<sup>1</sup> OCIE's 2017 priorities, which largely mirror its 2016 priorities, cover three areas: (1) protecting retail investors, (2) focusing on risks specific to elderly and retiring investors, and (3) assessing market-wide risks.

### (1) Protection of Retail Investors

OCIE identifies the protection of retail investors as a continuing priority for the agency. In its efforts to protect retail investors, OCIE will continue to examine investment advisers and broker-dealers that offer advice through automated or digital platforms, such as robo-advisers, and will also probe how the firms generate recommendations and protect customer information.

### (2) Elderly and Retiring Investors

OCIE plans to continue its focus on whether public pension advisers are efficiently managing conflicts of interest and adhering to their fiduciary duties with respect to their relationships with elderly and retiring investors. The agency also announced that it is broadening its ReTIRE initiative, which focuses on services provided to retirement accounts.

### (3) Assessment of Market-Wide Risks

In addition to continued focus on Regulation Systems Compliance and Integrity (SCI) and anti-money laundering rules, OCIE will examine money market funds for compliance with rules amended in 2014 governing money market funds, which took effect in October 2016. To assess compliance with the new rules, OCIE will likely look to boards' oversight of the funds' compliance with the new amendments and may review compliance policies and procedures relating to stress testing. OCIE will also continue inspections of FINRA operations and regulatory programs. Finally, OCIE will maintain its focus on examining cybersecurity compliance procedures and controls of broker-dealers and investment advisers.

Should you require additional information regarding OCIE examinations, please contact Cheri L. Hoff at (212) 508-6175 or Glen A. Kopp at (212) 508-6123.

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<sup>1</sup> See OCIE National Exam Program Examination Priorities for 2017 (Jan. 12, 2017), available [here](#).