



## Form CRS Redelivery Requirements for Investment Advisers in a Nutshell

As of 6/30/2020

### I. Overview

Firms must start delivering Form CRS to new incoming clients on June 30. Firms must deliver Form CRS to existing clients by July 30. There is no annual redelivery requirement for Form CRS. **But there are situations involving opening of new accounts or certain types of changes to existing client accounts that trigger a redelivery obligation.**

### II. Situations/account changes requiring redelivery of Form CRS

- Firms must redeliver Form CRS when an existing client opens a new SMA.
- Firms must also redeliver Form CRS if there is a change in account type of material change in the nature or scope of services. New type of services relates to a client's investment option or capabilities, without regard to whether the services are offered in an existing account.
- Redelivery is also triggered when the firm recommends or provides a new brokerage or investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account (e.g., a first time investment in a direct-sold mutual fund or variable annuity, initial recommendation or provision of margin capability, adding an options trading authorization, account monitoring or discretionary trading).
- Any change in discretion in the account triggers redelivery.
- Opening a trust account when the client has a personal account triggers redelivery.
- Opening a taxable account for a client that has a retirement account triggers redelivery.
- Opening a brokerage versus an advisory account triggers redelivery.
- If the new account has a different compensation structure than the client's existing account, redelivery is triggered.
- First-time recommendation to invest in a private placement, private equity fund, structured product or other investment triggers redelivery if such investment is to be held outside an existing account.
- Recommending the client roll over another retirement plan into an account managed by the adviser, redelivery is triggered. If the client rolls over assets without the advisor's knowledge

or the adviser's advice, the adviser does not need to redeliver Form CRS because it did not make a recommendation.

- If redelivery is triggered within 30 days after initial delivery, firms do not need to redeliver unless upon request.

### **III. Situations/account changes not requiring redelivery of Form CRS**

- Adding another account holder or beneficiary to a new discretionary account does NOT trigger redelivery to the existing retail client or new joint account.
- New account features that will NOT trigger redelivery include automatic bill pay, check-writing privileges, or technological features, such as offering a chat feature or mobile application, as they do not relate to the customer's or client's investment options or capabilities.

### **IV. Recordkeeping**

RIA firms must make and keep a record of the dates that each Form CRS, and each amendment or revision thereto, was given to any client or any prospective client who subsequently becomes a client.