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SEC Announces 2020 Exam Priorities of the Office of Compliance Inspections and Examinations.

On January 7, the SEC's Office of Compliance Inspections and Examinations (OCIE) [announced](#) the [release](#) of its *2020 Examination Priorities*. The annual release of exam priorities provides transparency into the risk-based examination process and lists areas that pose current and potential risks to investors. OCIE's 2020 examination priorities include:

- **Retail investors, including seniors and those saving for retirement.** OCIE places particular emphasis on disclosures and recommendations provided to investors.
- **Information security.** In addition to cybersecurity, top areas of focus include: risk management, vendor management, online and mobile account access controls, data loss prevention, appropriate training, and incident response.
- **Fintech and innovation, digital assets and electronic investment advice.** OCIE notes that the rapid pace of technology development, as well as new uses of alternative data, presents new risks and will focus attention on the effectiveness of compliance programs.
- **Investment advisers, investment companies, broker-dealers, and municipal advisers.** Risk-based exams will continue for each of these types of entities, with an emphasis on new registered investment advisers (RIA) and RIAs that have not been examined. Other themes in exams of these entities include board oversight, trading practices, advice to investors, RIA activities, disclosures of conflicts of interest, and fiduciary obligations.
- **Anti-money laundering.** Importance will be placed on beneficial ownership, customer identification and due diligence, and policies and procedures to identify suspicious activity.
- **Market infrastructure.** Particular attention will be directed to clearing agencies, national securities exchanges and alternative trading systems, and transfer agents.
- **FINRA and MSRB.** OCIE exams will emphasize regulatory programs, exams of broker-dealers and municipal advisers, as well as policies, procedures and controls.

January 15 2020

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