

U.S. Securities and Exchange Commission Staff Now Issuing *ComplianceAlert* Online Newsletters for Chief Compliance Officers of Registered Advisers

On June 14, 2007, the staff of the U.S. Securities and Exchange Commission (SEC) published its first *ComplianceAlert* online newsletter¹ designed to assist chief compliance officers (CCOs) of SEC-registered investment advisers, investment companies, broker-dealers and transfer agents with their compliance functions. The *ComplianceAlerts*, which will only be available on the SEC's website, are intended to help CCOs learn more about common deficiencies and weaknesses that SEC staff examiners have found during recent examinations of SEC-registered entities and "proactively fine-tune" their compliance programs.

The first *ComplianceAlert* addresses, among other topics, performance advertising deficiencies by SEC-registered investment advisers. The alert also discusses the types of provisions that registered advisers impacted by Hurricane Katrina had adopted as part of their business continuity plans that proved to be effective with respect to the advisers' ability to provide uninterrupted advisory services to clients in a compliant manner after a disaster.

Because the *ComplianceAlerts* are compiled based on examinations of SEC-registered investment companies, broker-dealers and transfer agents, as well as SEC-registered investment advisers, not all of the topics covered in any particular alert will be of interest to investment advisers.

Non-U.S. based investment advisers that follow the "Regulation Lite" regime are not required to adopt a written compliance program or to appoint a CCO. Nevertheless, the topics to be addressed in the *ComplianceAlerts* remain relevant because those non-U.S. investment advisers relying on "Regulation Lite" are still subject to the anti-fraud provisions of the U.S. Investment Advisers Act of 1940 and to inspection by the SEC staff.



This update was authored by Jennifer O. Epstein and Kristen E. Uhl.

¹ The first *ComplianceAlert* is available at <http://www.sec.gov/about/offices/ocie/complialert.htm>. Any future *ComplianceAlerts* will only be available on the SEC's website.

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