

SEC's Examination Priorities for 2022

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On March 30, 2022, the SEC's Division of Examinations (formerly the Office of Compliance Inspections and Examinations (OCIE)) issued its examination priorities for 2022. In addition to broadly reiterating its continued focus on advisers' fiduciary duties to their clients, the protection of retail investors and compliance with Regulation Best Interest and Form CRS; environmental, social and governance (ESG) matters; and information security and operational resiliency, the Division also identified examination priorities that will be of particular interest to managers of both private and registered funds, including emerging technologies and crypto-assets.

Private Funds

Private fund matters will continue to be a focus. The Division will review issues under the Advisers Act and advisers' practices, paying special attention to conflicts of interest, disclosures, practices, control and investor reporting in respect of portfolio strategies, risk management and investment recommendations and allocations.

ESG

The Division will focus on whether registered investment advisers accurately disclose ESG investing approaches, and on the adoption and implementation of policies and practices by registered investment advisers and funds to avoid violations of federal securities laws in connection with ESG-related disclosures.

Retail Investors and Working Families

In order to ensure that retail investors and working families receive recommendations and advice in their best interest from broker-dealers and registered investment advisers, the Division will prioritize examinations of practices regarding consideration of investment alternatives, management of conflicts of interest, trading, disclosures, account selection, and account conversions and rollovers.

Information Security and Operational Resiliency

The prevention of interruptions to mission-critical services will continue to be a focus for the Division. Examinations will focus on business continuity and disaster recovery plans and, generally, measures implemented to safeguard customer accounts and prevent account intrusions, oversee vendors and service providers, address malicious email activities, respond to incidents and manage operational risks.

Emerging Technologies and Crypto-Assets

Regulatory compliance programs will be scrutinized to assess whether they address the unique risks of emerging financial technologies. The Division will focus on firms that are (or are claiming to be) offering or using new products, services and practices, and whether their operations and controls are consistent with disclosures made and their regulatory obligations. The Division will also continue to review offers, sales, recommendations, advice, trading and custody arrangements made by participants engaged with crypto-assets.

The Division of Examinations' 2022 examination priorities are available [here](#).

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