

Thought Leadership Written in Partnership With Focus 1 Associates

OCIE's Exam Priorities

OCIE's Exam Priorities reflect input received from the SEC's outreach and monitoring efforts, and provides a preview of the key areas OCIE intends to focus its limited resources. Sometimes looking back is as important as looking forward.

A key element of being prepared for an exam is to know where OCIE has found weaknesses among advisors, which in large part is the basis of OCIE's exam priorities. Identified below is a comparison of the SEC's examination priorities published since

2013, and while some have been around a long time, some are new and others no longer identified. Mistakes will continue to be made as regulations get more complex and compliance burdens increase, so if they are on the list, look at them.

	2020	2019	2018	2017	2016	2015	2014	2013	Prior
1 Retirement Accounts and Senior Investors	X	X	X	X	X	X	X		X
2 Cybersecurity & Technology	X	X	X	X	X	X	X	X	
3 Conflicts of Interest	X	X	X	X		X	X	X	X
4 Never Before Examined IA/IC and New Registrants	X	X	X	X	X	X	X		
5 Transfer Agents	X	X	X	X	X	X		X	
6 AML	X	X	X	X	X	X			
7 Clearing Agencies	X	X	X	X	X	X			
8 Municipal Advisers	X	X	X	X	X	X			
9 ETFs	X	X	X	X	X			X	
10 Custody, Safety of Assets	X	X	X				X	X	X
11 Governance and Risk Management	X	X	X				X	X	X
12 Branch Offices		X		X	X	X			X
13 Private Fund Advisers	X		X	X	X	X	X		
14 New Laws and Regulations					X	X	X	X	X
15 Wrap Fee Programs		X	X	X			X		
16 Microcap Fraud	X	X		X	X	X			
17 Product Promotion of New, Complex, and High Risk Products			X		X			X	X
18 Recidivist Reps and their Employers				X	X	X			X
19 FINRA	X	X	X	X					
20 Fixed Income Order Execution	X	X	X	X					
21 National Securities Exchanges	X	X	X	X					
22 Fraud Detection and Prevention		X					X	X	
23 Variable Annuities			X		X				X
24 Fee Selection and Reverse Churning				X	X	X			
25 Pay to Play Rule				X	X			X	
26 Money Market Funds				X			X	X	
27 Alternative Investment Companies						X	X	X	
28 Advertising / Marketing / Performance							X	X	X

	2020	2019	2018	2017	2016	2015	2014	2013	Prior
29 Cryptocurrency, ICOs, Secondary Market Trading, Blockchain	X	X	X						
30 Disclosure Cost of Investments	X	X	X						
31 Fiduciary Duty	X	X	X						
32 MSRB	X	X	X						
33 Regulation Systems Compliance and Integrity (SCI) Entities	X	X	X						
34 Electronic Investment Advice	X		X	X					
35 Target Date Funds			X	X					
36 Excessive Trading (Churning)					X	X			
37 Private Placements	X				X				X
38 Fixed Income Investment Companies						X	X		
39 Dual Registrants IA/BD	X						X	X	
40 Payments for Distribution in Guise							X	X	
41 Fund Governance								X	X
42 Mutual Funds	X	X							
43 Portfolio Management and Trading	X	X							
44 Business Continuity Plans			X						
45 Payment for Order Flow				X					
46 Liquidity Controls					X				
47 Complex Entities									X
48 Exemptive Orders								X	

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ABOUT FOCUS 1 ASSOCIATES

Focus 1 Associates is a leading SEC compliance consulting firm that provides a range of consulting, examination and forensic testing services. The firm serves an international client base of registered investment advisors of all shapes and sizes, strategies and philosophies.

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