

Form CRS – Did You Know?

Filing Deadline: June 30th, 2020

Deadline to Deliver to Clients: July 30th, 2020

How to File:

For most firms, Form CRS is filed as an Other-Than-Annual amendment on the [IARD](#) website.

Amending and Resending Form CRS:

If any of the information on your Firm's Form CRS becomes materially inaccurate, you will have 30 days to amend from the date the information becomes materially inaccurate and refile the Form CRS. The filing must include an exhibit highlighting the changes. Then, the updated Form CRS will need to be delivered to all retail clients within 60 days of the date the changes are required to be made. These changes must include an attachment to the updated Form CRS with a highlighted version or a summary of the material changes. Form CRS may be included with other documents, such as statements when sending it out, but it must be the top document of the group.

Tips for Completing Your Form CRS

Hyperlinks:

As part of Form CRS, advisers are encouraged to include hyperlinks to outside information to direct the retail client to supplemental information on Form CRS. For example, an adviser may insert a hyperlink to its Form ADV Part 2A to direct a retail client to further look into information regarding the services the Firm provides. This may present a problem for hard copy Form CRS', as the links are unclickable on a paper version. Focus 1 recommends displaying the full URL when including links so that a retail investor using a paper copy can access the website.

Conflicts of Interest:

As part of Form CRS, advisers are required to state material conflicts of interest for their Firm. The types of conflicts that the instructions designate a Firm address are proprietary products, third-party payments, revenue sharing, and principal trading. Based on the Form CRS instructions and the adopting release, Focus 1 recommends not including any language in Form CRS to show how it mitigates a conflict of interest. This allows for the retail client to ask questions, such as the Conversation Starters provided in Form CRS, regarding conflicts of interest and gives the adviser the opportunity to explain how they mitigate any conflicts of interest.

Disclosure:

In order to confirm no one has disciplinary actions, including bankruptcy, run a “Roster – Individual – Registered Individual Summary Download” report on the CRD tab of your IARD account. The resulting spreadsheet will show the number of disclosures for each person. This way, you can search your Firm and ensure that any disclosures have been properly documented on your Form CRS.

Posting the CRS:

In addition to sending out your Form CRS to all retail clients and prospective clients, your Firm’s Form CRS must be posted prominently on your Firm’s public website in a location that is easily accessible to retail investors.

Recordkeeping Requirements:

As part of the Amended Advisers Act rule 204-2, investment advisers are required to maintain a current copy of their firm’s Form CRS and any updates, amendments, or revisions of the document for no less than five years from the end of the fiscal year during which the last entry was made on such record, and documentation to support the delivery to clients such as a log with the client name, address and date mailed.

Helpful Links:

[IARD Filing Tips – Form ADV Part 3 \(Form CRS\)](#)

[Form ADV, PART 3: Instructions to Form CRS](#)

[Frequently Asked Questions on Form CRS](#)