

Highlights of the Third Edition

In addition to updating all areas of the *Guide* to reflect the most recent changes to the Advisers Act, rules, and applicable SEC guidance, the *Third Edition* contains:

- New information regarding potential changes to the Advertising Rule (*see* § 2.01[A]).
- Additional developments related to advertising, including enforcement actions involving the Testimonial Rule (*see* § 2.01[D]) and deficient disclosures for advisers using the performance of quantitative investment strategies (*see* § 2.02[A]).
- A discussion of the SEC staff's recent Risk Alert regarding the Cash Solicitation Rule (*see* § 2.03[A]).
- A discussion of the SEC staff's recent Risk Alert regarding advisory fees and expense calculations (*see* § 3.02[B]).
- Updated information regarding custody arrangements (*see* § 3.03).
- New information regarding client privacy requirements arising outside the United States, including the E.U.'s General Data Protection Regulation ("GDPR") (*see* § 3.05[G]).
- New information about potential AML-related filings for advisers who grant clients or investors access to certain critical technologies of companies in which the adviser makes investments (*see* § 3.07).
- A discussion of the SEC staff's recent risk alert on best execution (*see* § 4.03).
- Updated information on the Department of Labor's vacated fiduciary duty rules for retirement accounts and the on-going implications for advisers (*see* § 4.11).
- A series of new compliance tips for compliance officer in connection with the annual review process, including the importance of addressing (and documenting) issues found in previous years, maintaining an evergreen review of key areas, and preserving attorney-client privilege (*see* § 5.01[C]), as well as compliance tips on the importance of defining supervisory responsibilities and also overseeing activities in a multi-office environment (*see* § 5.02).
- Updated information about managing private funds, including issues involving preferential liquidity rights (*see* § 6.07).
- New information about SEC enforcement actions involving "robo-advisers" (*see* § 6.12).
- A discussion of the SEC's recent Risk Alert on the use and retention of electronic messages (*see* § 7.02).
- Updated information about the SEC compliance examination, enforcement, and whistleblower programs, including new compliance tips on the importance of maintaining electronic data in an easily retrievable and consistent format, and on the significance of good communication with the SEC staff when experiencing any delays in producing electronic data during examinations (*see* Chapter 8).
- Updates as necessary to the appendices, including to the compliance requirements summary chart, the record retention chart, the compliance calendar, and Advertisement Review Checklist (*see* Appendices A, B, C, and D, respectively), the Investment Advisers Act (*see* Appendix V) and the Advisers Act Rules (*see* Appendix W).

The Index has been updated to reflect these changes.