

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors



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Preparing for Revised Form ADV Taking Effect in 2018

Registered investment advisers have started to brace for 2017. They're creating new offerings and expanding the breadth of their portfolios. However, investment advisers need to think well beyond next year, to the first quarter of 2018. Their livelihoods depend on it.

In early 2018, a revised Form ADV is due. Form ADV, of course, is the uniform form used by investment advisers to register with both the Securities and Exchange Commission (SEC) and state securities authorities.

There will be a revised Form ADV as of Oct. 1, 2017. It includes several amendments recently adopted by the SEC. However, for most advisers the new requirements don't take effect until the following annual reporting update, in the first quarter of 2018.

The amendments are published on the SEC's website - <https://www.sec.gov/IARD>. Advisers need to review the amendments adopted for full details of compliance.

The form itself is an easy check-the-box/fill-in-the-blank format. But investment advisers need to be fully abreast of the changes and can ill-afford to give them short shrift, as clients expect their financial advisers to be proper when it comes to regulatory compliance.

Here are some of the key changes:

- **Separately Managed Accounts.** Advisers will be required to provide information on an aggregate level regarding separately managed accounts that they manage. Depending on the size of assets under management attributable to separately managed accounts, advisers will report semi-annually or annually.
- **Additional Information Regarding Investment Advisers.** Adopted within the amendments to Form ADV are several new questions with regard to the adviser's identifying information, advisory business and affiliations.
- **Umbrella Registration.** The SEC also amended Form ADV to codify umbrella registration for certain advisers to private funds. While not mandatory, umbrella registration can provide private fund advisers who operate a single advisory business via multiple legal entities a more simplified registration process.

There are a string of other amendments, and investment advisers are urged to download and internalize the new FORM ADV.

The task associated with the new form may be considered onerous, at first, but it's designed to streamline the examination process provided by the SEC. Advisers should be able to adapt quickly. And that should equal more time to cultivate client relationships, drive revenue and boost profitability.

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