

## Form CRS identifies services received from adviser

YOUR financial adviser may have presented you with a new compliance form called Form CRS. This form is now being required to be sent to clients by the Securities and Exchange Commission (SEC), which is an independent agency that regulates the finance industry.

The purpose of Form CRS is to help you identify the financial services that you receive from your adviser and how much these services cost. It is a client relationship summary form that is informational. This means that you don't have to do anything with the form.

Back in June 2019, the SEC approved regulations that specify how certain advisers communicate with retail customers. Retail customers are those that use the adviser firm for their own purposes or to help their family. One of the requirements of Form CRS is that it is supposed to be plainly written so as to improve the transparency of the relationship between

clients and their advisers. The hope of this regulation is to improve the quality of the client-adviser relationship by revealing certain legal requirements and required disclosures.

The form is a document that summarizes the relationship. Investors can use it to decide if they want to work with a firm, terminate a firm, or change the nature of the relationship. Advisory firms have 30 days to deliver the document to their clients.

Advisers also need to provide Form CRS whenever there is a point-of-sale transaction or certain changes to investment accounts.

One example of such an event is rolling over an employer 401(k) plan to an IRA. The form must also be provided whenever there is a material change in the document. The advisory firm should also have their Form CRS posted to its website for future client reference.

The form isn't a long document. It's generally up to four pages. The length will depend on the degree of the relationship involved, but the form needs to be kept understandable. The information provided will include:

**Introduction:** This identifies the name of the firm, date of the summary, and how the firm is registered with the SEC.

**Relationships and Services:** This section will detail the services provided and could encompass brokerage services or investment advisory. It will summarize the accounts offered and may provide information as to the investments. Any limitations on investment offerings will be noted. Other references to additional information may be included.

### Fees, Costs, Conflicts, and Standard of

**Conduct:** This will outline what you will pay in fees and when you will be charged. It could include such details as transaction or asset-based fees and fixed fees. If there are account maintenance fees or costs associated with an annuity or mutual fund, these will be noted. Each firm will have legal obligations and a standard of conduct included. You might see examples of conflicts of interest that could arise, if any.

**Disciplinary History:** If the firm has had disciplinary issues, these will be disclosed here.

**Additional Information:** Contact information will be provided in case you need further information.

Form CRS will also help you learn about key questions to ask your financial professional. There will be details regarding how to find more information about investing and how to contact the SEC.

The SEC has set up a website to help you learn more about the form and access educational resources.

For more information, visit [investor.gov/home/welcome-investor-gov-crs](https://investor.gov/home/welcome-investor-gov-crs).

Keep in mind that Form CRS is an additional disclosure requirement and will not change any prior disclosure or reporting documents you receive.

Be sure to review your Form CRS. It will give you information to make your relationship with your advisor clearer and help you gain the most from any services provided.

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