

MEMO# 2043

July 18, 1990

GAO STUDY ON SEC REGULATION OF INVESTMENT ADVISERS

July 18, 1990 TO: INVESTMENT ADVISER MEMBERS NO. 32-90 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 29-90 RE: GAO STUDY ON SEC REGULATION OF INVESTMENT ADVISERS _____ Attached is a copy of the report prepared by the General Accounting Office evaluating the SEC's regulation of investment advisers. In summary, the study concludes that the SEC's current registration and inspection program needs to be improved. The specific enhancements recommended by the GAO include: verifying information before the SEC registers advisers; warning investors that registration is limited to disclosing information and business practices and not to evaluating adviser competence; and, inspecting each new adviser within a reasonable time, such as within 1 year after registration, and periodically thereafter based on risk. We will keep you informed of developments. Amy B. Rosenblum Assistant General Counsel Attachment

Source URL: <https://icinew-stage.ici.org/memo-2043>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.