

Adviser Compliance for 2013, Part II: Annual Privacy Notices

By: Bettina Eckerle

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In this heightened enforcement environment, it is increasingly important for advisers to meet all of their annual compliance obligations.

Under Regulation S-P, advisers, brokers, and investment companies must provide a privacy notice to all customers at least once a year. The [annual privacy notice](#) must detail the firm's privacy policies and practices, particularly how it collects, stores, and shares customers' "nonpublic personal information." To ensure compliance, below are several quick tips:

- Firms are permitted to determine when the annual notice will be sent to customers; however, the date should remain consistent.
- Firms are allowed to combine a privacy notice with another document. The notice, however, must be clear and conspicuous.
- Firms can deliver a single annual privacy notice to multiple customers who share an address if the notice is sent with a shareholder report or a prospectus delivered under the SEC's householding rules.
- Firms may deliver one privacy notice to a customer with multiple accounts so long as the privacy notice makes clear each of the accounts to which it applies.
- Firms must provide privacy notices in a fashion so that each consumer can reasonably be expected to actually receive it. A posting on the web site is ok, if the customer actually uses the web site to access financial products and services and has agreed to receive notices on it.
- To make it real easy, federal regulators, including the SEC, provide an [Online Form Builder](#). Of course you can also use your own.

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