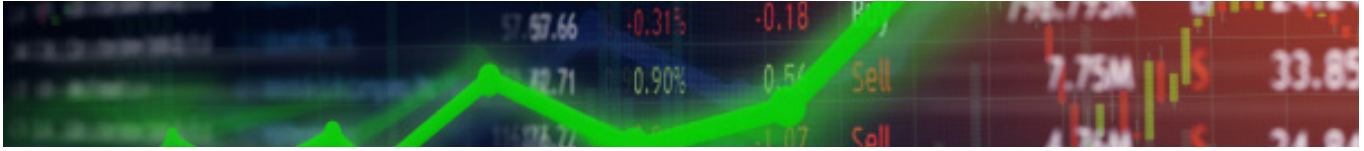


NEWS ALERT

SECURITIES GROUP



The Ins and Outs of the SEC's New Marketing Rule Part One: An Overview

By Mark J. Tarallo | January 25, 2021

On December 22, 2020, the United States Securities and Exchange Commission (the "SEC") announced that it was adopting amendments (collectively, the "Marketing Rule") under the Investment Advisers Act of 1940 (the "Advisers Act" or the "Act") to update rules that govern investment adviser marketing. The Marketing Rule will create a unified regulatory framework to replace both the advertising rules and cash solicitation rules currently in effect. The goal of the Marketing Rule is to provide investment advisers, FinTech firms, fund managers, and other financial services professionals with comprehensive guidance to allow them to efficiently manage their marketing communications.

The Marketing Rule has a broad scope and provides guidance on, among other things, the following topics:

- The definition of an "advertisement"
- A summary of generally prohibited practices
- The use of testimonials and endorsements
- The use of third-party ratings; and
- How performance information may be presented.

Despite significant advancements in technology, the emergence of FinTech firms, and the increase in the number of investment funds, the existing rules governing advertising (Rule 206(4)-1) and solicitations (Rule 206(4)-3) have not been substantively amended since 1961 and 1979, respectively. The Marketing Rule incorporates principles-based provisions designed to accommodate the continual evolution and interplay of technology and advice, and to reflect the broad changes in the financial services industry.

Over the next several months, we will be issuing client alerts and hosting webinars intended to take a "deep dive" into various provisions of the Marketing Rule. Our first webinar is scheduled for Thursday, February 25, and will cover the new definition of "advertisement" under the Marketing Rule. We will provide further information regarding login information and presentation materials shortly.

The Marketing Rule and its related amendments will take effect 60 days after final publication in the Federal Register, and the SEC has adopted a compliance date that is 18 months after the effective date to give advisers a transition period to comply with the amendments. The SEC has noted that the new Marketing Rule may in some cases result in significant changes for investment advisors and is encouraging anyone who might be impacted by the adoption of the Marketing Rule to evaluate its impact on their business practices as early as possible.

**Click [here](#) to register for our first Marketing Rule Webinar:
The New Definition of "Advertisement" Under the Marketing Rule**

Date: Thursday, February 25, 2021 + Time: 8:30 a.m.

For more information about this bulletin and our upcoming webinar series, please contact:

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