

CLIENT ALERT

Reminder: Revised Form ADV to be Used Beginning October 1, 2017

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As discussed in our September 28, 2016 client memorandum (available [here](#)), an investment adviser filing an initial Form ADV or an amendment to its existing Form ADV on or after October 1, 2017 will be required to use a revised Form ADV Part 1A.¹ Advisers with a December 31st fiscal year-end will need to comply with the Form ADV amendments no later than the annual amendment filing due by the end of March 2018.

The revised Form ADV includes a number of changes and will require an adviser to provide additional information regarding its advisory business. In particular, investment advisers with separately managed account (“SMA”) clients will need to disclose, among other items, the types of assets held, custodial relationships, and depending on the size of the account, the use of derivatives and borrowings in SMA accounts. For purposes of the reporting requirements, SMAs are all advisory accounts other than pooled investment vehicles (*i.e.*, registered investment companies, business development companies, or pooled investment vehicles that are not registered with the Securities and Exchange Commission (the “SEC”), including, but not limited to, private funds).

The revised Form ADV will also require a registered adviser that is currently reporting an affiliated “relying” adviser on its Form ADV to now use a new Schedule R to file an “umbrella registration” on a single Form ADV. The new Schedule R is

¹ Form ADV and Investment Advisers Act Rules, Advisers Act Release No. 4509 (Aug. 25, 2016), available [here](#).

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for related advisers operating a single advisory business, subject to certain conditions, including a condition that the filing adviser must have its principal office and place of business in the United States.²

Additionally, certain existing Items of Form ADV Part 1A have been amended to require additional disclosures about an investment adviser's client types, branch offices, business operations and use of social media, such as disclosure of accounts on publicly available social media platforms (e.g., Twitter, Facebook and LinkedIn). The staff of the SEC issued several frequently asked questions addressing the new disclosure requirements.³

Given the extensive changes to the revised Form ADV, investment advisers that anticipate filing a Form ADV amendment on or after October 1, 2017 should begin gathering the necessary additional information that will be required.

If you have any questions regarding this client alert, please contact the following attorneys or the attorney with whom you regularly work.

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² The SEC expressly declined to make Umbrella Registration available to: (i) exempt reporting advisers ("ERAs") and (ii) filing advisers based outside the United States. The SEC did acknowledge, however, that the views of the staff as expressed in a set of "Frequently Asked Questions on Form ADV and IARD" that permit certain ERAs to file a single Form ADV on behalf of multiple special purpose entities have not been withdrawn due to the amendments.

³ See Frequently Asked Questions on Form ADV and IARD, available [here](#).