

2023 NSCP National Conference Agenda for Regulators and other Federal Employees

(This agenda lists only the sessions that are open to attendees from regulatory authorities)

TUESDAY, OCTOBER 17, 2023

8:00 AM – 9:00 AM BREAKFAST

9:00 AM – 10:00 AM GENERAL SESSION: Artificial Intelligence in Compliance

10:15 AM – 11:15 AM SESSION 5

5b. BD - Cybersecurity – Evolving and Toughening Regulatory Standards and Expectations (Intermediate)

Regulators, at both the federal and state levels, are adopting tougher and more prescriptive cybersecurity rules. The objective of this session is to review these new rules, assess their impact on compliance professionals and their firms, and equip compliance officers with information and tools to assess and promote compliance. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Understand the proposed new rules and amendments, Rule 10, Reg S-P, and Reg SCI.
- Discuss the pros and cons of adopting an established cybersecurity framework, such as NIST or ISO 27001.
- Appreciate the importance of collaboration and training in satisfying the elements of the cybersecurity program.
- Learn practical guidance and tools to help their firms meet current and proposed regulatory expectations.

5e. IA/PF - Cybersecurity – Evolving and Toughening Regulatory Standards and Expectations (Intermediate)

Regulators, at both the federal and state levels, are adopting tougher and more prescriptive cybersecurity rules. The objective of this session is to review these new rules, assess their impact on compliance professionals and their firms, and equip compliance officers with information and tools to assess and promote compliance. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Understand the proposed new rules and amendments, 206(4)-9 and Reg S-P.
- Discuss the pros and cons of adopting an established cybersecurity framework such as NIST or ISO 27001.
- Appreciate the importance of collaboration and training in satisfying the elements of the cybersecurity program.
- Learn practical guidance and tools to help their firms meet current and proposed regulatory expectations.

11:30 AM – 12:30 PM SESSION 6

6d. BD/IA - Best Practices for Supervision & Compliance of Off-Channel Communications (Intermediate)

Off-channel communications are internal and external communications which are not being monitored to retained by the firm. Common examples include text messages from personal cell phones, messaging apps and social media messages. Most firms have policies prohibiting off-channel communications, yet this remains an industry-wide issue. This session will explore alternative paths to compliance and ways to help bridge this gap. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Review recent regulatory guidance and enforcement actions.
- Discuss policies prohibiting off-channel communications: effectiveness, training, and annual attestations; in addition to obligations to retain and produce business-related communications.
- Discuss technological solutions, including the advantages/disadvantages and vendor due diligence.
- Navigate sensitive issues with employees who are understandably concerned about personal privacy.

6e. IA - Recommending Alternative or Complex Products (Intermediate)

Alternative or complex products often entail elevated risk and need to be addressed in a compliance program. This session will begin by classifying different types of complex products (e.g., liquid versus illiquid). Then the session will address product due diligence, conflicts of interest, disclosures (ADV 2A and point-of-sale disclosures) and sales practices (concentration limits). Finally, there will be a discussion of best practices for surveillance and monitoring the sale of complex products. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Learn to classify and identify various alternative and complex products.
- Understand best practices for due diligence, disclosures, and sales practices.
- Discover how to comply with the fiduciary duty of care.
- Discuss best practices for surveillance and monitoring of alternative and complex products.

12:30 PM – 1:35 PM LUNCHEON WITH GUEST SPEAKER: Richard Best

1:50 PM – 3:05 PM SESSION 7

7b. ALL – Kicking the Tires: Why Service Provider Due Diligence Matters (Advanced)

This session will focus on the intricacies of service provider due diligence and explore best practices to implement a robust due diligence program. Learn what information to request, which could be valuable to your evaluation. Discuss how to utilize results, from the initial to ongoing reviews, when assessing risks and providing guidance to management. This session will explore effective and actionable due diligence processes, including collaboration with firm personnel, for assessing service providers, tailoring policies and procedures to account for the service providers you use, and overseeing and managing the work service providers are doing on behalf of your firm and your clients. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Hear due diligence best practices, including use of due diligence questionnaires (DDQs), meeting with service provider compliance staff, and key contract provisions used to allocate risk.
- Discuss relevant books and records requirements, including capturing identified risks and conflicts.

- Evaluate oversight responsibilities of service providers relative to the services provided to the firm.
- Learn regulatory expectations, including FINRA rules and Advisers Act proposed rule 206(4)-11, and how to demonstrate sufficient service provider review.

7c. BD – SEC & FINRA Enforcement Issues and Trends

This session will focus on recent SEC and FINRA enforcement actions, summarizing lessons learned. The panelists will discuss enforcement trends and how to best utilize enforcement actions to inform management and compliance officers. Discussions will also include changes to the enforcement process and regulatory and compliance practices relevant to managing an enforcement action. **This session is open to regulators and members of the press.*

Learning Objectives:

- Evaluate recent SEC and FINRA enforcement actions and summarize lessons learned.
- Examine enforcement trends and sweeps related to broker-dealers.
- Understand the benefits and impact of self-reporting and cooperation.
- Discuss best practices regarding a firm's response to an enforcement action.

7f. IA/IC/PF - Best Practices for an Effective Global Compliance Program (Intermediate)

This session will provide insights into offering advisory services, provide general marketing, regulatory and legal considerations when expanding an advisory business into global markets. The panel will also cover current regulatory hot topics in certain foreign markets with a focus on the European market. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Discuss how to navigate the restrictions of institutional and retail advisory marketing services in alignment with foreign regulatory regimes.
- Share best practices for managing the impact of parallel compliance standards and requirements for trading, pricing, compliance, and oversight governance in Europe and other jurisdictions.
- Understand the limits of investment marketing, reverse solicitation, and the potential pitfalls of not knowing before you go, regardless of the product or strategy.
- Develop rules for the business team along with proactive measures for addressing new regulatory jurisdictional requirements.

3:30 PM – 4:45 PM SESSION 8

8b. ALL - Supervision in the New Hybrid Workforce Office World (Intermediate)

Supervision in our new blended in-house /remote workforce environment brings many unique challenges and issues. This panel will discuss the complications of managing geographically dispersed associated persons under rules and regulations built for the "simpler times of the pre-pandemic office structure." **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Consider the challenges of branch office registration, notice filing, and licensing for dispersed personnel.
- Discuss firm requirements for remote work taking into consideration privacy, cyber tools, common hours, and other issues arising from remote work.
- Create effective risk-based supervisory structures for monitoring supervised persons, depending on location and function.
- Devise standards for risk matrices to determine if and/or when on-site remote inspections should take place.

8e. IA/PF - Evolving Custody Responsibilities (Intermediate)

This session will focus on the custody rule for investment advisory firms, including private fund managers, and particularly the SEC's recent proposal, "Safeguarding Advisory Client Assets." We will discuss the scenarios that cause custody and how the requirements apply to those scenarios, in addition to the counteractive measures to take if the firm wants to avoid custody. The session will include case studies and/or scenarios that explore various applications of the custody rule. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Introduce the relevant regulations, proposals, no-action letters, and guidance from the SEC as it relates to custody.
- Examine the many forms of custody and the steps to comply with each form.
- Provide best practices for policies and disclosures.
- Discuss recent enforcement actions to learn relevant lessons.

4:45 PM – 6:15 PM NETWORKING RECEPTION

WEDESDAY, OCTOBER 18, 2023

7:30 AM – 8:30 AM BREAKFAST

8:30 AM – 9:30 AM CLOSING GENERAL SESSION

SEC Examination Leaders Forum

SEC Examinations division leaders will discuss current regulatory examination initiatives and priorities, including observations from recent examinations of investment advisers, investment companies, and private funds. Attendees can submit questions anonymously prior to the conference. **This session is open to both regulators and members of the press.*

Panelists: Richard Best, Keith Cassidy Marshall Gandy, Natasha Greiner, John Polise

9:45 AM – 10:45 AM SESSION 9

9a. ALL – ESG, Its Role in the Firm, and the Role of Compliance (Intermediate)

Addressing Environmental, Social and Governance (ESG) issues is relatively new in the compliance world and much depends on the firm's outlook for its role. In this session, panel members will define and review ESG – its current, regulatory, corporate, and/or investment status, and the risk components driving its future. They will offer their perspectives on the various roles and actions for compliance to take in helping their firms navigate this dynamic and challenging environment. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Define ESG and related key terms (i.e., greenwashing, green bleaching, etc.).
- Summarize the latest developments in ESG compliance from the SEC and other relevant regulators.
- Align the components of a firm's ESG program with adequate disclosures, policies, and procedures to ensure employees, stakeholders, and client portfolios are protected to avoid greenwashing.

- Review critical initiatives and commitments of ESG from other stakeholders including investors, advocacy organizations, reporting frameworks, and other sources, and the implications for firms at the company and client levels.
- Discuss best practices for ESG compliance, explore global approaches, and assess goals and risk exposure for effective compliance programs.

11:00 AM – 12:00 PM SESSION 10

10b. BD/IA – FinTech and RegTech: Current Developments (Intermediate)

Financial technology (FinTech) and Regulatory technology (RegTech) continue to evolve. This session will provide an overview of the new developments in this space. The speakers will focus on providing practical information to help Compliance use technology effectively and efficiently. **This session is open to regulatory attendees, but it is closed to members of the press.*

Learning Objectives:

- Explore what is new in the Fintech space and how firms are using things such as machine learning for added efficiencies.
- Discover what is new in the RegTech space and examine how to use RegTech to lessen the compliance burden.
- Gain a deeper understanding of how to develop an effective compliance program using FinTech and RegTech.
- Discuss the implications for machine learning and Artificial Intelligence.

10c. IA/IC/PF – SEC Enforcement Issues

Staff from the SEC's Division of Enforcement will discuss enforcement priorities and recent enforcement proceedings relating to investment advisers. **This panel is open to both regulators and members of the press.*

Learning Objectives:

- Discuss enforcement priorities for the coming year for investment advisers and funds.
- Review recent SEC enforcement proceedings and initiatives.
- Hear the enforcement Staff's views as to the scope of the attorney-client privilege and work product protections.
- Learn about the consequences of self-reporting potential violations and the actions of Staff after receiving the firm's self-report.

12:00 PM Conference Concludes