



## **Your Investment Adviser on Facebook: SEC Issues Release on Advisers and Social Media**

On January 4, 2012 the SEC's Office of Compliance Inspections and Examinations released an Alert regarding the use of social media by registered investment advisers and the policies and procedures they have in place in connection with social media (such as Facebook, Twitter and blogs). In reviewing compliance programs the SEC encouraged advisers to consider the following factors in respect to the standards for investment advisers and solicitors:

- Usage guidelines on the appropriate and inappropriate use of social media for representatives and solicitors;
- Standards for content created by the firm or its representatives or solicitors;
- Policies and procedures to address representatives or solicitors who conduct firm business on personal or third-party social media websites;
- Where the investment adviser is part of the larger corporate enterprise, it may wish to consider guidelines pertaining to enterprise-wide use of social media.

The Alert also outlined the following non-exclusive factors the adviser should consider when evaluating to developing procedures for monitoring use of social media and legal compliance:

- Frequency of monitoring of representatives or solicitor activity
- Approval or preapproval of posted content
- Sufficient dedication of compliance resources
- Criteria for approval of participation
- Representative training
- Certification by representatives and solicitors that they understand and are complying with firm policies and procedures
- Information security risks posed by representatives' access to social media