

[SEC to Prioritize Reg BI Compliance, Order Routing in 2021 B-D Exams](#)

March 9, 2021



The Securities and Exchange Commission will “expand the scope” of its Regulation Best Interest-related reviews to assess whether broker-dealers have a reasonable basis to believe their recommendations are in their clients’ best interest.

According to the report, examiners will check how broker-dealers are ensuring their recommendations are in their customers’ best interests, conduct more transaction testing as part of their inspections, and look at how sales-based fees might affect recommendations. Reg BI went into effect on June 30, 2020, and examiners are now expecting to see efforts going “beyond good faith.”

“As climate-related events become more frequent and more intense, the division will evaluate whether firms are considering effective practices to help improve responses to large-scale events,” Les Abromovitz, Senior Director at Foreside, shared with Financial Advisor IQ.

Click [here](#) to read more about how examiners will check how broker-dealers ensure their recommendations are in their customers’ best interests.