

Quick-reference Guide to Regulation Best Interest, Interpretive Guidance, and Form Client Relationship Summary

Form Client Relationship Summary (Form CRS) – required beginning June 12

- Two or four page (two for RIA, two for broker-dealer (BD)) document delivered to all retail clients for new accounts, when a new service is recommended for any account or upon new recommendations in a commission account
 - » Most financial professionals will send both the RIA and BD documents. See [chart on FAQ page 2](#) for details.
- Currently available on [cir2](#), [JoinCambridge](#), and in CLIC®. A Docusign update in quarter three will automatically add it as the first document in an eSignature bundle if selected.
- Cambridge will send both CRS Forms to all existing retail clients in the Annual Letter mailing beginning the week of June 8
- Beginning June 12, financial professionals are responsible for delivery for all new accounts or triggering events
- Financial professionals should document delivery (no Cambridge blotter requirement)
- If the CRS is added to a forms bundle, it must be the first in the stack (if hard copy), but can go through eSignature (even though there is no client signature and it does not need to be sent in with account paperwork) or can be delivered by email or vault. If sent by email, it should be sent as an attachment in the email or as a direct link to the document in the body or the email.
- [Review the recent CRS Special Report](#)

Regulation Best Interest (Reg BI) Disclosure – required July 1

- One time per client disclosure for commission accounts
- Available on [JoinCambridge](#) and [cir2](#)
- When a recommendation is made in an existing commission account or a new commission account for a client who has not previously received it, delivery is required. This is the commission account equivalent to the ADV Part 2A for advisory accounts.

Best Interest Analysis (BIA) for New Accounts – required July 1

- If filled out in CLIC (which will be required to create a trade key starting July 1), no document will be created/submitted and the CLIC data is sufficient
- If new account paperwork is filled out in hard-copy PDF (not through CLIC) and mailed in, the BIA document must be included
- BIA form is available on [cir2](#), in CLIC, and in the Laser App
- The BIA does not need to be shown to the client, and there is no client signature requirement

- If an admin is filling in the BIA information on behalf of a financial professional, it is acceptable for the admin to select the financial professional attestation as the financial professional's proxy, and we will trust the financial professional provided the information
- [Review the recent BIA Special Report](#)

BIA for Triggering Recommendations in Existing Accounts – July 1

- Deposits or transfers of new funds or securities (if above annual contribution limits and not applicable for periodic, systematic, and unsolicited trades) will trigger the need to document best interest
- Buy/sell/explicit hold recommendations in commission accounts (not applicable for periodic, systematic, unsolicited trades, or rebalancing if it does not cause additional compensation to the financial professional)
- BIA will not be in CLIC, financial professionals will document recommendations in their offices and will not need to send anything to the home office, unless requested
- BIA triggers in existing accounts will not require the BIA form, financial professionals should have a process to document the recommendations and how those recommendations are in the client's best interest. This will likely be in the form of notes in the client's file (CRM), Morningstar, or other research reports, investment proposals, expense comparisons, performance reports, etc.
- Surveillance teams will spot-check ongoing BIA triggers through Trade Review and request proof of best interest documentation

BIA for Existing Accounts – future state, no ETA identified

- We are working on a future state system that will automate the Trade Review rules engine to request BIA information when trades are made, triggering a new BIA. This system has not yet been identified, but it will likely be in conjunction with the new systems like OnBase and will automatically ask whether a transaction was a recommendation and will ask additional questions depending on the financial professional's response.
- This automated system will look much like the questions asked in the new account BIA, but will be simplified for ongoing recommendations

BIA for Transitioning Financial Professionals – June 15

- The Transitioning BIA form will be used when a financial professional joins Cambridge from another firm for all retail investor accounts moving to Cambridge as a result that move
- This BIA form will be available on [cir2](#), in Docupace, and as a simplified tool in CLIC

Advisory Account Minimum Changes:

- Driven by the rule: The minimum requirements were determined based on the expected cost of client ticket charges in CMAP and Flexmap versus asset based pricing in WealthPort®, which has a lower impact on smaller accounts. See [Weekly Announcement HO-20-53](#) for details.
- IRA and qualified accounts are no longer exempt from the minimums
 - » If setting up a group retirement plan as a series of individual participant-directed accounts in Pershing/NFS, it is likely it will not be appropriate because all individuals will need to meet the minimum separately. Pooled trustee-directed plans would be much more plausible.

- WealthPort minimums (CAAP^{®1} based on model and UMA minimum remains higher) drops to \$5,000 for all accounts
- Household is still taken into account, minimum is waived if household contains at least one account with at least \$25,000

Additional Disclosure Updates:

- BIA will no longer include the Investment Exchange Disclosure (IED) language, if a switch takes place, the standalone IED will be required, separate from the BIA documentation, and is updated on [cir2](#) and in CLIC
- The IRA Rollover Disclosure and Acknowledgement (IRARD) will no longer be required, but it will be made available for financial professional use with clients as an educational document
- The Understanding the Differences Between Commissionable and Advisory Accounts brochure will become part of the CRS supplement delivery and will no longer need to be provided separately
- The CRS Supplement is available as a link from the Form CRS drop down on [JoinCambridge](#)
- ADV Part 2A is updated on [JoinCambridge](#), [cir2](#), and CLIC
- Variable Annuity and Alternative Investment Disclosures are updated on [cir2](#) and in CLIC
- The Revenue Sharing Disclosure is updated on [JoinCambridge](#) and [cir2](#)
- Financial professionals with BD-only licensing may not “hold themselves out as advisors” and will be unable to use the term “advisor(er)” in marketing materials, doing business as, or in reference to the services they provide



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