

[SEC Update Guidance and Investor Bulletin on Robo-Advisers](#)

Provides information and guidance for investors and the financial services industry applicable to the increasing use of robo-advisers.

Updated last **March 1, 2017**
for the 02/23/2017 guidance.



WHAT IT DOES

The [Securities and Exchange Commission](#) (SEC) published information and guidance for investors and the financial services industry on the fast-growing use of robo-advisers, which are registered investment advisers that use computer algorithms to provide investment advisory services online with often limited human interaction.

Because of the unique issues raised by robo-advisers, the Commission's Division of Investment Management issued [guidance](#) for investment advisers with suggestions on meeting disclosure, suitability and compliance obligations under the Investment Advisers Act of 1940.

A second publication, an [Investor Bulletin](#) issued by the SEC's Office of Investor Education and Advocacy, provides individual investors with information they may need to make informed decisions if they consider using robo-advisers.

The Investor Bulletin describes a number of issues investors should consider, including:

- The level of human interaction important to the investor
- The information the robo-adviser uses in formulating recommendations
- The robo-adviser's approach to investing
- The fees and charges involved

Robo-advisers, as registered investment advisers, are subject to the substantive and fiduciary obligations of the Advisers Act. The Guidance Update notes that there may be a variety of means for a robo-adviser to meet its obligations to clients under the Advisers Act, and that not all of the issues addressed in the Guidance Update will be applicable to every robo-adviser.

Full details and links are provided in the [SEC press release](#).