

The following is a compilation of results from the latest survey of C-Suite Investment Professionals conducted by Cipperman Compliance Services. CCS offers this information to help establish—or at least confirm—a movement towards compliance best practices on the part of those polled.

Respondents described their firm as:

Asset Managers • (33%)

Broker/Dealers • (11%)

Hedge Fund • (21%)

Private Equity • (16%)

Wealth Managers • (11%)

Other • (8%)

What follows are the responses to sixteen key questions, broken down by type of firm, yielding an overall view of how the different categories approach compliance.

(Figures shown are rounded off to the nearest 1%; actual totals may vary by 2% to 4%.)

Responses from Asset Managers

What is the amount of approximate assets under management?

- Less than \$500 Million • (18%)
- \$500 Million to \$1 Billion • (15%)
- \$1 Billion to \$5 Billion • (36%)
- \$5 Billion+ • (31%)

Which most closely describes your role within the organization?

- CEO • (12%)
- CFO • (7%)
- CCO • (46%)
- General Counsel • (2%)
- Legal / Compliance Personnel • (27%)
- Other • (6%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (70%)
- CEO/General Partner/CCO • (12%)
- General Counsel/CCO • (5%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (5%)
- COO/CCO • (9%)

Are you confident that your compliance program would pass the scrutiny of a regulatory exam?

- Yes • (75%)
- No • (25%)

How long ago was your last SEC exam?

- Within the last 12 months • (18%)
- Within the last 3 years • (36%)
- More than 3 years ago • (37%)
- Unsure • (9%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (7%)
- 5%–10% • (15%)
- 1%–5% • (37%)
- Less than 1% • (12%)
- Unsure • (28%)

Do you spend more on your compliance program than legal counsel?

- Yes • (34%)
- No • (48%)
- Unsure • (18%)

When did you last perform a compliance review?

- Within the last 12 months • (82%)
- 12-24 months ago • (15%)
- More than 24 months ago • (2%)
- Never • (2%)
- Unsure • (0%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (76%)
- 1-3 years • (18%)
- Less than one year • (6%)
- No Chief Compliance Officer • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (39%)
- Keeps us honest and on our toes • (18%)
- Protects the franchise • (23%)
- Cost of doing business • (19%)
- Waste of time and money • (0%)

What are your firm's compliance priorities this year? (select all that apply)

- Revise the Compliance Manual • (36%)
- DOL Rule implementation • (11%)
- Cybersecurity • (49%)
- Improve Code of Ethics process • (5%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (12%)
- Some (i.e., third party handles/reviews specified projects) • (40%)
- None • (48%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (64%)
- No • (31%)
- Unsure • (5%)

Do your Cybersecurity and Data Protection policies meet regulatory requirements?

- Yes • (72%)
- No • (28%)

Are you confident in your firm's cybersecurity?

- Yes • (51%)
- No • (25%)
- Unsure • (24%)

How are you addressing cybersecurity concerns?

- Primarily utilizing internal technology resources • (46%)
- Primarily utilizing external cybersecurity resources • (43%)
- No current changes contemplated • (8%)
- Unsure • (3%)

Responses from Broker/Dealers

What is the amount of approximate assets under management?

- Less than \$500 Million • (23%)
- \$500 Million to \$1 Billion • (32%)
- \$1 Billion to \$5 Billion • (36%)
- \$5 Billion+ • (9%)

Which most closely describes your role within the organization?

- CEO • (9%)
- CFO • (14%)
- CCO • (32%)
- General Counsel • (9%)
- Legal / Compliance Personnel • (36%)
- Other • (0%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (68%)
- CEO/General Partner/CCO • (5%)
- General Counsel/CCO • (5%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (5%)
- COO/CCO • (18%)

Are you confident that your compliance program would pass the scrutiny of a regulatory exam?

- Yes • (68%)
- No • (32%)

How long ago was your last SEC exam?

- Within the last 12 months • (18%)
- Within the last 3 years • (27%)
- More than 3 years ago • (46%)
- Unsure • (9%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (5%)
- 5%–10% • (14%)
- 1%–5% • (68%)
- Less than 1% • (14%)
- Unsure • (0%)

Do you spend more on your compliance program than legal counsel?

- Yes • (18%)
- No • (73%)
- Unsure • (9%)

When did you last perform a compliance review?

- Within the last 12 months • (64%)
- 12-24 months ago • (14%)
- More than 24 months ago • (14%)
- Never • (0%)
- Unsure • (9%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (82%)
- 1-3 years • (18%)
- Less than one year • (0%)
- No Chief Compliance Officer • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (32%)
- Keeps us honest and on our toes • (5%)
- Protects the franchise • (23%)
- Cost of doing business • (41%)
- Waste of time and money • (0%)

What are your firm's compliance priorities this year? (select all that apply)

- Revise the Compliance Manual • (27%)
- DOL Rule implementation • (27%)
- Cybersecurity • (46%)
- Improve Code of Ethics process • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (9%)
- Some (i.e., third party handles/reviews specified projects) • (64%)
- None • (27%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (68%)
- No • (27%)
- Unsure • (5%)

Do your Cybersecurity and Data Protection policies meet regulatory requirements?

- Yes • (77%)
- No • (22%)

Are you confident in your firm's cybersecurity?

- Yes • (23%)
- No • (64%)
- Unsure • (14%)

How are you addressing cybersecurity concerns?

- Primarily utilizing internal technology resources • (36%)
- Primarily utilizing external cybersecurity resources • (64%)
- No current changes contemplated • (0%)
- Unsure • (0%)

What is the amount of approximate assets under management?

- Less than \$500 Million • (30%)
- \$500 Million to \$1 Billion • (37%)
- \$1 Billion to \$5 Billion • (28%)
- \$5 Billion+ • (5%)

Which most closely describes your role within the organization?

- CEO • (47%)
- CFO • (26%)
- CCO • (9%)
- General Counsel • (0%)
- Legal / Compliance Personnel • (14%)
- Other • (5%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (49%)
- CEO/General Partner/CCO • (21%)
- General Counsel/CCO • (5%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (19%)
- COO/CCO • (7%)

Are you confident that your compliance program would pass the scrutiny of a regulatory exam?

- Yes • (51%)
- No • (49%)

How long ago was your last SEC exam?

- Within the last 12 months • (21%)
- Within the last 3 years • (30%)
- More than 3 years ago • (47%)
- Unsure • (2%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (0%)
- 5%–10% • (14%)
- 1%–5% • (65%)
- Less than 1% • (16%)
- Unsure • (5%)

Do you spend more on your compliance program than legal counsel?

- Yes • (16%)
- No • (81%)
- Unsure • (2%)

When did you last perform a compliance review?

- Within the last 12 months • (54%)
- 12-24 months ago • (28%)
- More than 24 months ago • (16%)
- Never • (0%)
- Unsure • (2%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (49%)
- 1-3 years • (42%)
- Less than one year • (9%)
- No Chief Compliance Officer • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (42%)
- Keeps us honest and on our toes • (7%)
- Protects the franchise • (28%)
- Cost of doing business • (23%)
- Waste of time and money • (0%)

What are your firm's compliance priorities this year? (select all that apply)

- Revise the Compliance Manual • (28%)
- DOL Rule implementation • (2%)
- Cybersecurity • (65%)
- Improve Code of Ethics process • (5%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (28%)
- Some (i.e., third party handles/reviews specified projects) • (54%)
- None • (19%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (77%)
- No • (23%)
- Unsure • (0%)

Do your Cybersecurity and Data Protection policies meet regulatory requirements?

- Yes • (28%)
- No • (72%)

Are you confident in your firm's cybersecurity?

- Yes • (19%)
- No • (56%)
- Unsure • (26%)

How are you addressing cybersecurity concerns?

- Primarily utilizing internal technology resources • (16%)
- Primarily utilizing external cybersecurity resources • (75%)
- No current changes contemplated • (7%)
- Unsure • (2%)

What is the amount of approximate assets under management?

- Less than \$500 Million • (34%)
- \$500 Million to \$1 Billion • (44%)
- \$1 Billion to \$5 Billion • (9%)
- \$5 Billion+ • (13%)

Which most closely describes your role within the organization?

- CEO • (44%)
- CFO • (31%)
- CCO • (3%)
- General Counsel • (6%)
- Legal / Compliance Personnel • (3%)
- Other • (13%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (59%)
- CEO/General Partner/CCO • (25%)
- General Counsel/CCO • (0%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (9%)
- COO/CCO • (6%)

Are you confident that your compliance program would pass the scrutiny of a regulatory exam?

- Yes • (59%)
- No • (41%)

How long ago was your last SEC exam?

- Within the last 12 months • (12%)
- Within the last 3 years • (41%)
- More than 3 years ago • (41%)
- Unsure • (6%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (0%)
- 5%–10% • (16%)
- 1%–5% • (47%)
- Less than 1% • (25%)
- Unsure • (13%)

Do you spend more on your compliance program than legal counsel?

- Yes • (3%)
- No • (94%)
- Unsure • (3%)

When did you last perform a compliance review?

- Within the last 12 months • (56%)
- 12-24 months ago • (34%)
- More than 24 months ago • (9%)
- Never • (0%)
- Unsure • (0%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (44%)
- 1-3 years • (44%)
- Less than one year • (13%)
- No Chief Compliance Officer • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (22%)
- Keeps us honest and on our toes • (9%)
- Protects the franchise • (28%)
- Cost of doing business • (41%)
- Waste of time and money • (0%)

What are your firm's compliance priorities this year? (select all that apply)

- Revise the Compliance Manual • (47%)
- DOL Rule implementation • (0%)
- Cybersecurity • (47%)
- Improve Code of Ethics process • (6%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (38%)
- Some (i.e., third party handles/reviews specified projects) • (38%)
- None • (25%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (72%)
- No • (28%)
- Unsure • (0%)

Do your Cybersecurity and Data Protection policies meet regulatory requirements?

- Yes • (38%)
- No • (62%)

Are you confident in your firm's cybersecurity?

- Yes • (19%)
- No • (38%)
- Unsure • (44%)

How are you addressing cybersecurity concerns?

- Primarily utilizing internal technology resources • (25%)
- Primarily utilizing external cybersecurity resources • (63%)
- No current changes contemplated • (6%)
- Unsure • (6%)

Responses from Wealth Managers

What is the amount of approximate assets under management?

- Less than \$500 Million • (30%)
- \$500 Million to \$1 Billion • (48%)
- \$1 Billion to \$5 Billion • (13%)
- \$5 Billion+ • (9%)

Which most closely describes your role within the organization?

- CEO • (44%)
- CFO • (9%)
- CCO • (31%)
- General Counsel • (0%)
- Legal / Compliance Personnel • (13%)
- Other • (4%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (56%)
- CEO/General Partner/CCO • (22%)
- General Counsel/CCO • (0%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (0%)
- COO/CCO • (22%)

Are you confident that your compliance program would pass the scrutiny of a regulatory exam?

- Yes • (44%)
- No • (56%)

How long ago was your last SEC exam?

- Within the last 12 months • (30%)
- Within the last 3 years • (17%)
- More than 3 years ago • (48%)
- Unsure • (4%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (0%)
- 5%–10% • (9%)
- 1%–5% • (65%)
- Less than 1% • (22%)
- Unsure • (4%)

Do you spend more on your compliance program than legal counsel?

- Yes • (30%)
- No • (61%)
- Unsure • (9%)

When did you last perform a compliance review?

- Within the last 12 months • (65%)
- 12-24 months ago • (17%)
- More than 24 months ago • (17%)
- Never • (0%)
- Unsure • (0%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (57%)
- 1-3 years • (35%)
- Less than one year • (9%)
- No Chief Compliance Officer • (0%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (26%)
- Keeps us honest and on our toes • (9%)
- Protects the franchise • (39%)
- Cost of doing business • (26%)
- Waste of time and money • (0%)

What are your firm's compliance priorities this year? (select all that apply)

- Revise the Compliance Manual • (35%)
- DOL Rule implementation • (22%)
- Cybersecurity • (44%)
- Improve Code of Ethics process • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (17%)
- Some (i.e., third party handles/reviews specified projects) • (39%)
- None • (44%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (44%)
- No • (52%)
- Unsure • (4%)

Do your Cybersecurity and Data Protection policies meet regulatory requirements?

- Yes • (43%)
- No • (57%)

Are you confident in your firm's cybersecurity?

- Yes • (30%)
- No • (48%)
- Unsure • (22%)

How are you addressing cybersecurity concerns?

- Primarily utilizing internal technology resources • (17%)
- Primarily utilizing external cybersecurity resources • (65%)
- No current changes contemplated • (13%)
- Unsure • (4%)

Responses from Other Managers

What is the amount of approximate assets under management?

- Less than \$500 Million • (24%)
- \$500 Million to \$1 Billion • (0%)
- \$1 Billion to \$5 Billion • (35%)
- \$5 Billion+ • (41%)

Which most closely describes your role within the organization?

- CEO • (6%)
- CFO • (0%)
- CCO • (71%)
- General Counsel • (0%)
- Legal / Compliance Personnel • (18%)
- Other • (6%)

Does your Chief Compliance Officer have multiple management roles and if so, which ones?

- No, standalone CCO • (71%)
- CEO/General Partner/CCO • (6%)
- General Counsel/CCO • (12%)
- Chief Marketing Officer/CCO • (0%)
- CFO/CCO • (0%)
- COO/CCO • (12%)

Are you confident that your compliance program would pass the scrutiny of a regulatory exam?

- Yes • (88%)
- No • (12%)

How long ago was your last SEC exam?

- Within the last 12 months • (41%)
- Within the last 3 years • (18%)
- More than 3 years ago • (30%)
- Unsure • (12%)

What percentage of revenues do you allocate to compliance?

- 10%+ • (0%)
- 5%–10% • (12%)
- 1%–5% • (41%)
- Less than 1% • (6%)
- Unsure • (41%)

Do you spend more on your compliance program than legal counsel?

- Yes • (47%)
- No • (18%)
- Unsure • (35%)

When did you last perform a compliance review?

- Within the last 12 months • (94%)
- 12-24 months ago • (0%)
- More than 24 months ago • (0%)
- Never • (0%)
- Unsure • (6%)

How many years of regulatory/compliance experience does your Chief Compliance Officer have?

- 4+ years • (94%)
- 1-3 years • (0%)
- Less than one year • (0%)
- No Chief Compliance Officer • (6%)

What is your firm's attitude toward compliance?

- Helps us sell business and retain clients • (24%)
- Keeps us honest and on our toes • (24%)
- Protects the franchise • (24%)
- Cost of doing business • (29%)
- Waste of time and money • (0%)

What are your firm's compliance priorities this year? (select all that apply)

- Revise the Compliance Manual • (12%)
- DOL Rule implementation • (29%)
- Cybersecurity • (59%)
- Improve Code of Ethics process • (0%)

Do you outsource part or all of your compliance function?

- All (i.e., third party performs all compliance activities) • (12%)
- Some (i.e., third party handles/reviews specified projects) • (41%)
- None • (47%)

Have prospective clients asked to review your compliance policies and/or interview your compliance resources?

- Yes • (53%)
- No • (47%)
- Unsure • (0%)

Do your Cybersecurity and Data Protection policies meet regulatory requirements?

- Yes • (94%)
- No • (6%)

Are you confident in your firm's cybersecurity?

- Yes • (47%)
- No • (12%)
- Unsure • (41%)

How are you addressing cybersecurity concerns?

- Primarily utilizing internal technology resources • (53%)
- Primarily utilizing external cybersecurity resources • (41%)
- No current changes contemplated • (0%)
- Unsure • (6%)