



### **Regulation Best Interest (Reg BI) Online Training Questions**

1. When does Reg BI go into effect?
  - a. Immediately
  - b. June 30, 2020
  - c. December 31, 2020
  
2. A Retail Customer includes the following (Choose all that applies):
  - a. A Natural Person
  - b. A Legal Representative of a natural person (ie: Trustee)
  - c. High Net Worth and Accredited persons
  - d. Retirement plans
  
3. True or False? Reg BI does not apply if the Broker-Dealer or the Associated Person does not get compensated for the recommendation.
  
  
  
  
  
  
  
  
  
  
4. True or False? A retail customer can waive his or her protection to Reg BI, thereby excusing the broker dealer or associated person from their obligations.
  
  
  
  
  
  
  
  
  
  
5. As part of the Care Obligation, what items should the broker dealer or associated person discuss with the Retail Customer? (Choose all that applies)
  - a. Potential risk and rewards for the investment
  - b. Investment objectives
  - c. Cost and fees associated with the recommendation
  - d. Liquidity needs
  - e. Volatility, and market condition

6. True or False? In the case where the broker dealer or investment adviser agrees to provide the retail customer with specified account monitoring, an implicit “hold recommendation” is not subject to Reg BI, since no action was taken.
7. Which of the following would NOT be considered as a potential conflict of interest within the scope of Reg BI?
- a. Sales contests or sales quotas put out by the broker dealer
  - b. Bonuses for recommendation of certain product
  - c. Outside business activities
  - d. Discussing with the customer the fees and cost associated with the recommendation
  - e. Profit sharing
8. True or False? Under the Disclosure Obligation, the Form CRS should be given to the retail customer before or at the time of the recommendation.
9. What should the associated person or registered rep do to comply with Reg BI when discussing or making a recommendation to a retail customer? (Choose all that applies)
- a. Provide the Form CRS to the customer prior to or at the time of the recommendation
  - b. Review costs, fees, and potential risk related to the recommendation
  - c. Should NOT place the financial or other interest of the B/D or associated person’s ahead of the customer’s interests.
  - d. Should consider and provide some reasonable investment alternatives to the customer.
10. Which of the following component obligations must be met to comply with Regulation Best Interest? (Check all the applies)
- a. Care Obligation
  - b. Conflict of Interest Obligation
  - c. Disclosure Obligation
  - d. Compliance Obligation

---

Registered Representative (Signature)

---

Date of Completion