

## Announcement

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# Observations Regarding Fixed Income Principal and Cross Trades by Investment Advisers from an Examination Initiative

On September 4, 2019, the Division of Examinations (the “Division”) published a Risk Alert highlighting the most common compliance issues observed by the staff related to principal and agency cross trades under the Investment Advisers Act of 1940 (“Principal Transactions Risk Alert”). In this follow-up Risk Alert, the Division supplements the staff’s observations made in the Principal Transactions Risk Alert by providing greater detail on certain compliance issues. These observations are derived from an examination initiative that focused on SEC-registered investment advisers that engaged in cross trades, principal trades, or both, involving fixed income securities. The Division encourages advisers to review their written policies and procedures regarding principal and cross trades, including the implementation of those policies and procedures, to ensure that they are consistent with the Advisers Act and the rules thereunder.

View the Risk Alert: [Observations Regarding Fixed Income Principal and Cross Trades by Investment Advisers from an Examination Initiative](#)

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