



Seven Things to Know About Compliance and Social Media

Are you sitting on the social media sidelines, worried about compliance?

If so, you're missing out on a marketing channel whose importance is exploding. Here's a brief guide that will help you plunge in—without landing in hot water.

1. **Electrons Equal Ink**

From a compliance perspective, all communication via the Internet, including interaction on social sites, is the same as in person or written communications.

2. **Supervise And Archive**

Regulations require that you retain and supervise social media activity, and archive the associated content for three years.

3. **Static Versus Interactive**

Static content, including videos, advertising and social media profiles, requires pre-approval. Interactive content such as updates and tweets must be monitored and archived by your firm or a third party. Blogs are *sometimes* considered interactive content and can be either pre-approved or supervised—check in with your compliance for clarification.

4. **Investment Advice**

Making investment recommendations on social media sites is just messy. Don't do it. Social media is an avenue for broad distribution of content, and can trigger suitability requirements.

5. **Likes, Recommendations and Endorsements**

Recommendations on LinkedIn are considered client testimonials, and as such are strictly prohibited. LinkedIn's "endorsements" are also considered testimonials. NEW! Advisors can now include links or logos to third-party review sites. If you opt to post comments directly to your site you must include any negative commentary along with the all positive.

6. **Content Links and Sharing**

Social media is about sharing, but keep in mind that you can be liable for the content you link to in updates or posts if you know, or have reason to believe, that it's false or misleading.

7. **You Need A Social Media Policy**

The policy should outline how your firm plans to interact with the world via social media, and how you will train and monitor your employees who are engaged in social media correspondence. (Include these seven points!)