

Harbor Reg BI Disclosure Delivery Requirements FAQs 5-11-2020

1. What are my recordkeeping obligations when I deliver Form CRS and the Important Investor Information (“III”) disclosures, and how do I satisfy those obligations?

The SEC designated the Form CRS to be an “official book and record” of the firm, no different than required recordkeeping related to events such as account opening, account activity, and trade confirmations. As a result, the SEC requires us to record certain data points in a specified format regarding the delivery of the Form CRS.

For Form CRS, each time that you deliver it, you must also record (1) the name for the person(s) receiving the Form CRS, and (2) the date of delivery. **In order to meet the recordkeeping requirements described above, these data points must be recorded in Digital Form HF019-CRS tool discussed below in these FAQs.** If you use the Digital HF019-CRS tool to electronically deliver the Form CRS and III, and enter the name of the person(s) to whom it is being delivered, then the tool will automatically log all of the required information in the required format.

2. What do I need to deliver to a prospective Retail Investor (a prospect or current client)?

You must deliver the Form CRS and the III before or at the time that you recommend any account type, security, or investment strategy involving securities. As a practical matter, that will mean delivering the Form CRS and the III to the investor prior to having any substantive conversation regarding the specific services you recommend providing to that investor.

3. How will I be able to deliver the Form CRS and/or III when I am required to do so?

For a variety of reasons, including ease of meeting the recordkeeping requirements of Form CRS, **we require using the new Digital Form HF019-CRS.**

a) We strongly recommend electing email delivery to the Retail Investor’s email address. You must obtain investor consent (which can be oral) for purposes of delivering these particular disclosures electronically. Electing email delivery enables the Firm to:

- 1) Send one compliant email that includes both the Form CRS and III to the investor, with a copy delivered to your email
- 2) Automatically record the Form CRS delivery date and the names of the person(s) who received Form CRS, as required by Reg BI.

b) If you do not elect the email delivery method in Digital Form HF019-CRS tool, you may deliver the disclosures by hand, or by mail, so long as those delivery methods meet all of the following requirements:

- 1) If sending the CRS and III, you retrieve the current version (Harbor internal website);
- 2) If sending the CRS and III, you present it prominently (document must be “on top” if packaged with other documents); and
- 3) You complete the Digital Form HF019-CRS tool to record the names of the person(s) who received the disclosure and the delivery date and follow CRM documentation instructions.

4. What is the Digital Form HF019-CRS tool Harbor is building to help with my delivery and recordkeeping obligations?

The Digital Form HF019-CRS tool enables you to:

- a) Complete the digital form on your mobile device or on your CPU efficiently
- b) Save time by having the Firm automatically send an email to a Retail Investor that includes links/attachments to the Form CRS and the III (with prior client consent, which can be oral); and
- c) Meet SEC Books and Records requirements to document the delivery date and the names of the person(s) who received Form CRS

The Digital Form HF019-CRS tool will be located within Harbor’s Internal Website by June 29th.

5. If I have individual conflicts of interest as the advisor, do these disclosures cover those or do I need to create and distribute something on my own?”

There will be cases in which you individually will have disclosure obligations based upon facts specific to you which cannot be covered in firm-level written disclosures. Harbor is working on Rep specific disclosures for what you may be required to disclose.