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Legal Experts Debate Personal Liability for Chief Compliance Officers

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Genna Garver

Genna Garver, a partner with Troutman Pepper, is quoted in the *FinOps Report* article, [“Legal Experts Debate Personal Liability for Chief Compliance Officers.”](#)

Genna Garver, a partner in the investment management practice at the law firm of Troutman Pepper in New York and a member of the NSCP's Regulatory Advisory Committee, cites the SEC's new “marketing rule” for registered investment advisers as heightening the potential liability for CCOs. “The amendments to the rules on reporting advertisements and solicitations under the Investment Advisers Act replace prescriptive elements with a principles-based approach, leaving CCOs susceptible to a subjective and after the fact assessment by the SEC of whether their firms' policies and procedures were reasonably designed for the new marketing rule,” she says.

...

“They need to make sure senior management takes a holistic approach to a firm's compliance setting the tone at the top and providing the compliance department with adequate resources to manage the firm's risks,” says Garver. “CCOs also need adequate guidance from the SEC on interpreting its rules so they won't have to worry about being second guessed when they do a good job.”

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“Existing insurance policies may be insufficient to protect CCOs so they should consider extra insurance that sits above a directors and officers liability policy specifically fo CCO liability,” says Garver, who also chairs the NSCP's ad-hoc comment letter committee.

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