

# Social media compliance cheat sheet

## Tips to help you stay compliant

### 1. Follow the rules of your Broker Dealer.

Registered Representatives need to be aware of and follow the rules of your Broker Dealer's social media policy. Because of the requirements around communications—antifraud, compliance, and recordkeeping laws—those regulated by FINRA and the SEC set specific guidelines like which platforms are allowed, what type of content you can post, and how you can engage with the public. Make sure you are familiar with the social media policy, and follow it.

### 2. Business or Pleasure?

It's pretty easy for an auditor to determine if you're using a social media for business or personal purposes. You shouldn't commingle the two. If you have a personal Twitter account and want to connect with clients and potential clients, that's okay. But, the line from personal to business is crossed once conversations start happening about business – whether that's sharing articles with financial advice, or simply having business related conversations. Make sure you take those conversations offline or move them to a business communication channel. If you want to connect to your clients to be able to share engaging information about financial topics, then create a separate profile or business page for that purpose.

### 3. Static vs. Interactive

The rules that apply to social media are rooted in the rules that have long been in place for advertising. The National Association of Insurance Commissioners (NAIC) published a report in 2012 called “The Use of Social Media in Insurance” to help define some of the compliance aspects of social media. One aspect is whether content is static, meaning it doesn't change, or interactive, meaning it changes frequently. An example of static content would be your LinkedIn profile page – the photo and information like your Summary, Work Experience, and other sections that don't change regularly. An example of interactive content would be status updates, or comments you make on articles found on LinkedIn. Because of the need to produce any of this content in the event of an audit, recordkeeping should be a part of your social media habit. There are a number of vendors out there who specialize in social media record keeping and archiving.

### 4. Disclaimers

A good idea may be to add a disclaimer to your social media profile that clearly states that the information provided on this page is informational in nature and is not investment advice. If you are required to have a FINRA or SPIC disclosure, make sure to include that, as well.

### 5. Forget pushing products.

Many agents wonder, “How can I sell on social media without talking about products?” Social selling is different than traditional marketing. People generally don't want product pitches coming at them through social media – they want useful content that is relevant to their lives. When you first meet a potential client, do you start talking index options and interest rates? It's entirely possible to sell on social media without ever mentioning products. Instead, sell your personal brand. If you sell life insurance, share articles about healthy living—both physical and financial health. Whether it's advice on how to lower blood pressure or the top five moments clients should review their life insurance policy, you can position yourself as a resource without ever mentioning specific products—or the lengthy disclosures they sometimes require. Just be sure that the content is appropriate for sharing or redistributing. A general rule of thumb to follow is that if an article or web page is open to the public (meaning no subscription is required), and it has social media “share” icons, it's appropriate to post on your social media page.

Be sure to read the social media policy in the back of the **North American Company Advertising Guidelines** for more details!