



**INVESTMENT ADVISER
AND INVESTMENT ADVISER REPRESENTATIVE
RENEWALS FOR 2023**

Renewal Program Bulletin: The 2023 IARD Renewal Program Bulletin is now available at <https://iard.com/renewal-program>. This bulletin provides renewal information and step-by-step instructions on how to renew your investment adviser firm and representatives electronically via the CRD/IARD system.

Key Dates:

- **November 7, 2022** – Preliminary Renewal Statements are available in E-Bill.
- **December 12, 2022** – Deadline for payment of renewal fees per the Preliminary Renewal Statements. *Note: The Office of the Kansas Securities Commissioner currently has a moratorium on securities act fees. As a result, firms and individuals registering or renewing their registration in Kansas will not be charged a fee through June 30, 2023. Although there is no fee, you must still complete the renewal process. For more information about the moratorium on securities fees visit: <https://insurance.kansas.gov/securities/industry-professionals>*
- **December 22, 2022 (6:00 p.m. ET)** – Deadline for form filings with the CRD/IARD system. After this date and time, only queries can be made to the system until full functionality begins in January 2023. Firms can create draft form filings in FINRA Gateway during the CRD/IARD shutdown; however, these draft form filings can only be submitted when CRD/IARD is available.
- **January 2, 2023 (10:00 a.m. ET)** – CRD and IARD are available with complete functionality. Final Statements are available in E-Bill.

What's New:

Investor Education: To help protect Kansas investors, the Office of the Kansas Securities Commissioner (KSC) has created the following educational resource: <https://smartinvestks.com/>. We encourage you to visit and share this website with other industry professionals, clients, friends, and family.

IAR Continuing Education (CE): KSC will not adopt the NASAA IAR CE Model Rule effective for calendar year 2023. However, we are reviewing the model rule and will be evaluating its practicality for Kansas IARs. IARs who hold multiple state registrations will need to be aware of each of those state's IAR CE requirements. For information on state implementation and requirements, please visit: www.nasaa.org/iarce.

Marketing Activities: Beginning November 4, 2022, Form ADV Part 1A Item 5L is a mandatory field for all filers. This field was created in response to the SEC's revised Rule 206(4)-1, also known as the SEC Marketing Rule. KSC has not adopted this rule and responses to this field by Kansas registered investment advisers should be answered accordingly.

Financial Exploitation of Vulnerable Adults: KSC plans to pursue enactment of NASAA's Model Act to Protect Vulnerable Adults from Financial Exploitation in 2023. KSC recommends that investment advisers establish and maintain written supervisory procedures related to the identification, escalation, and reporting of matters related to suspected financial exploitation.

Reminders:

Form ADV Amendments: Within 90 days after the end of your fiscal year, you must file with the IARD an annual updating amendment to Form ADV. This is in addition to the requirement that amendments be filed when material changes occur (per Form ADV Instructions). Form ADV, Parts 1 and 2A, are to be filed electronically every year. The brochure supplements (Part 2B) for each supervised person doing business in Kansas must also be filed electronically.

Form U4 Updates: Form U4 is the Uniform Application for Securities Industry Registration or Transfer. Representatives of broker-dealers, investment advisers, or issuers of securities must use this form to become registered in the appropriate jurisdictions and/or SROs. **K.A.R. 81-14-1(c)(3) states that each investment adviser representative shall be under a continuing obligation to update the information required by the Form U4 as changes occur.** Each investment adviser representative and any associated investment adviser shall file promptly with the CRD any amendments to the representative's Form U4. An amendment is considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

Failure to file updating amendments to Form ADV and/or Form U4 as required may result in administrative action.

Recordkeeping requirements: Many of the regulations for recordkeeping are found within K.A.R. 81-14-4. Issues recently noted have included firms being unable to provide copies of executed agreements relating to the adviser's business as an investment adviser, as required. This includes agreements executed between the firm and third-party managers, and **all** agreements the firm's clients have executed with the firm and any third-party advisers including, but not limited to, any co-adviser, tri-party and robo-adviser agreements.

Cybersecurity: Kansas law requires that advisers maintain procedures to protect and preserve electronically stored records to reasonably safeguard them from loss, alteration, or destruction, and to protect personal information from unauthorized access, use, modification, or disclosure. K.A.R. 81-14-4(h); K.S.A 50-7a02, 50-6,139b. KSC recommends that investment advisers establish a cybersecurity program that includes identification/evaluation of the firm's cybersecurity risks, implementation of policies and procedures designed to protect clients' personal information, an annual risk assessment of the adequacy of the firm's cybersecurity practices, and an incident response plan in the event of a security breach.

Please check our website (<https://insurance.kansas.gov/securities/>) for regulatory changes and other pertinent industry information.

Questions? If you have questions, contact the Office of the Kansas Securities Commissioner at 785-296-2124 or the FINRA/Gateway Call Center at 240-386-4848.

We welcome your questions and comments.

Juell Hitt
Chief of Registration
juell.hitt@ks.gov
785-296-5215

John Hesse
Chief of Compliance
john.hesse@ks.gov
785-296-3911