



INVESTMENT ADVISER
AND INVESTMENT ADVISER REPRESENTATIVE
RENEWALS FOR 2021

Renewal Program Bulletin: The 2021 IARD Renewal Program Bulletin is now available at <http://www.finra.org/renewals>. 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 16, 2020** – Preliminary Renewal Statements are available in E-Bill.
- **December 14, 2020** – Deadline for payment of renewal fees per the Preliminary Renewal Statements. (You must have a sufficient balance in your account for renewal fees or your registration will default to “termination” without further notice.)
- **December 26, 2020 (6:00 p.m. ET)** – Deadline for form filings with the CRD/IARD system. After this date, only queries can be made to the system until full functionality begins in January 2021. Firms can create/draft pending Form U-4 filings for individuals with a pre-existing CRD record at any time in FINRA Gateway; however, these draft/pending U-4 filings can only be submitted when CRD/IARD is available.
- **January 2, 2021 (8:00 a.m. ET)** – CRD and IARD are available with complete functionality. Final Statements are available in E-Bill.

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. **Failure to file the updating amendments as required may result in administrative action.**

Financial Reporting Requirements: K.A.R. 81-14-9 states that each registered investment adviser shall prepare and maintain a balance sheet in accordance with K.A.R. 81-14-4(b)(6) each month. The balance sheet shall be dated the last day of the month and shall be prepared within 10

business days after the end of the month. If the adviser has a negative net worth, the Office of the Securities Commissioner must be notified by the close of business on the next business day. A policy addressing this regulation and the requirements should be included in the written policies and procedures manual of the firm.

PPP Loans: As a fiduciary, you must act primarily for the benefit of your firm's clients. This includes the obligation to ensure that the information contained in your brochure and brochure supplements remains free of material inaccuracies. If present circumstances lead you to seek a PPP loan, or other type of financial assistance, and this constitutes a material fact relating to your advisory relationship with clients, your firm should provide disclosure of, for example, the nature, amounts, and effects of such assistance. For example, if you require such assistance to pay the salaries of your employees who are primarily responsible for performing advisory functions for your clients, we believe that this would materially affect the accuracy of your brochure and require disclosure. In addition, if your firm experiences conditions that are reasonably likely to impair its ability to meet contractual commitments to its clients, you may be required to disclose this financial condition in response to Item 18 (Financial Information) of Part 2A of Form ADV (brochure), or as part of Part 2A, Appendix 1 of Form ADV (wrap fee program brochure).

Advertising: Investment advisers must be vigilant to ensure their websites, social media pages, emails, and other communications do not contain testimonials, misrepresentations or material omissions. Testimonials may be considered a fraudulent, deceptive or manipulative act and may include endorsements and awards by clients and other non-related entities. The Office of the Kansas Securities Commissioner does not necessarily follow SEC No-Action letters and will continue to focus on advertisements during routine exams.

Please check our website (www.insurance.kansas.gov/securities) for regulatory changes, Covid-19 Frequently Asked Questions, 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.

Other Securities Department Contact Information:

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