



STATE OF WASHINGTON  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**

SECURITIES DIVISION

P.O. Box 9033 • Olympia, Washington 98507-9033

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November 14, 2016

**INVESTMENT ADVISER RENEWAL NOTICE FOR 2017**

Dear Registered Investment Adviser:

Renewal season is almost here. Renewal has two steps: (1) payment of annual renewal fees to the Investment Adviser Registration Depository (IARD), which must be received by the IARD no later than **December 16, 2016**; and (2) annual filing requirements, which are due within 90-120 days after the adviser's fiscal year end (FYE).

**2017 RENEWAL CALENDAR**

ACTION ITEM	WHERE/TO WHOM	ACTION DUE DATE
Pay renewal fees	IARD	December 16, 2016
File Form ADV Parts 1 & 2	IARD	March 31, 2017
Deliver or Offer Form ADV 2	Clients	April 30, 2017
File GAAP Balance Sheet	Securities Division	April 30, 2017
File Fund Audit (Private Fund only)	Securities Division	April 30, 2017

The 2017 Renewal Calendar assumes that the adviser's FYE is December 31, 2016. However, if the adviser's FYE is other than December 31, 2016, Form ADV Parts 1 & 2 are due within 90 days after the adviser's FYE and financial filing requirements are due within 120 days. If you are unsure when the adviser's filing requirements are due, please contact us.

**ANNUAL RENEWAL FEES**

RENEWAL	FEE	AMOUNT
Investment Adviser	IARD Firm System Fee	\$0
Investment Adviser	Washington State	\$75
Investment Adviser	Other Jurisdictions	<a href="https://www.iard.com/sites/default/files/reg_directory_9.pdf">https://www.iard.com/sites/default/files/reg_directory_9.pdf</a>
Investment Adviser Representative	FINRA RA Renewal Processing Fee	\$10
Investment Adviser Representative	Washington State	\$20
Investment Adviser Representative	Other Jurisdictions	<a href="https://www.iard.com/sites/default/files/rep_fee_sch_4.pdf">https://www.iard.com/sites/default/files/rep_fee_sch_4.pdf</a>

## Payment Options

Payment of annual renewal fees is made through your IARD Renewal Account. Please ensure that this account has sufficient funds. Remember to pay the full amount of the Preliminary Renewal Statement, which will be available in the Accounting section on IARD beginning today.

You must submit payments to IARD by electronic payment via E-Bill, wire transfer, automatic Flex-Funding Account-to-Renewal Account transfer, or check. If you pay by check, you will need to include a copy of the first page of your Preliminary Renewal Statement with your payment to FINRA. **Do not send your renewal payment to the Securities Division.**

## Payment Deadline

To ensure timely processing, FINRA must be in receipt of funds no later than December 16, 2016. The best practice is to pay your renewal fees in November upon receipt of your Preliminary Renewal Statement. If you wait until the deadline, you may not have enough time to fix any errors that may occur.

**If a firm fails to pay its renewal fees, IARD will systematically terminate the investment adviser and their representatives.**

## ANNUAL FILING REQUIREMENTS

The final stage of the annual renewal process is your fiscal year end filings. **Please do not submit your filings prior to the end of your fiscal year.**

### [Form ADV Part 1](#)

You are required to file an annual updating amendment.<sup>1</sup> This is required even if there have been no changes since your last filing. In order to ensure that the Form ADV Part 1 has been updated properly, please ensure that you have passed the “Completeness Check” and “Submit Filing.”

If your firm conducts business at locations other than your principal office, the Securities Division requires that you also submit a Form BR listing these locations.<sup>2</sup>

### [Form ADV Part 2](#)

You are required to update Form ADV Part 2 at least annually if there are **any** changes when you file your annual updating amendment.<sup>3</sup> For example, if your assets under management have changed, you must update your Part 2. If there have been no changes, you must attest to the accuracy of your Part 2 by clicking on the “Brochure ID” to verify that the brochure on file is up to date, select the “Confirm” radio button, and then click on “Save.”

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<sup>1</sup> Throughout the year, in general you must update Form ADV Part 1 within 30 days whenever information becomes inaccurate. Please see [WAC 460-24A-205](#) and <http://www.sec.gov/about/forms/formadv-instructions.pdf> for additional information.

<sup>2</sup> This would include home office and satellite locations. Form BR is filed through your firm’s account on the IARD system.

<sup>3</sup> Throughout the year, in general you must update your Form ADV Part 2 within 30 days whenever any information in the brochure becomes materially inaccurate. Please see <http://www.sec.gov/about/forms/formadv-part2.pdf> for updating instructions.

If there have been material changes to your Form ADV Part 2, you are required to, without charge, annually deliver or offer in writing to deliver upon written request to each of your clients the Form ADV Part 2.<sup>4</sup> This must include a summary of material changes. This delivery may be done electronically for those clients that have opted to receive communication from the adviser via electronic delivery in the investment advisory agreement. Please note that evidence of the annual offer or delivery must be maintained by the investment adviser.

### **Balance Sheet with Written Attestation**

You are required annually to submit a balance sheet dated as of the last day of your most recent fiscal year end to the Securities Division.<sup>5</sup> The balance sheet must be prepared in accordance with Generally Accepted Accounting Principles (GAAP), with a written attestation that your balance sheet is true and complete to the best of your knowledge upon submission. This written attestation can be attached to your balance sheet or in the body of your email submission to the Division at [IALicensing@dfi.wa.gov](mailto:IALicensing@dfi.wa.gov).

If you have custody, absent an exemption, your firm's balance sheet will need to be audited by an independent certified public accountant and must include the accountant's audit opinion.<sup>6</sup>

If your principal place of business is located in the State of Washington, your minimum financial requirements are as follows:

- If you have **custody** of client funds or securities, you must maintain at all times a net worth of at least \$35,000;
- If you have **discretion**, you must maintain at all times a net worth of at least \$10,000; or
- If you have **neither discretion nor custody**, you must be able to maintain a positive net worth.<sup>7</sup>

Please note that you may be requested to provide your income statement, statement of cash flows, statement of owner's equity, and trial balances to support and/or verify the information on your balance sheet.

*If you utilize a bond to meet your minimum financial condition, please submit a copy of the bond renewal confirmation from the insurance company.*

*If your firm manages a private fund, you are required to submit a copy of your annual fund audit to [IALicensing@dfi.wa.gov](mailto:IALicensing@dfi.wa.gov) within 120 days after your fiscal year end.<sup>8</sup>*

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<sup>4</sup> [WAC 460-24A-145](#).

<sup>5</sup> [WAC 460-24A-060](#).

<sup>6</sup> [WAC 460-24A-060](#).

<sup>7</sup> [WAC 460-24A-170](#).

<sup>8</sup> [WAC 460-24A-060](#) and [WAC 460-24A-107](#)

## Warning to Late and/or Non-Filers

Advisers who fail to file the required documents within the due dates following their fiscal year end can expect to be referred for administrative action, which may include suspension or revocation of your license and fines.

## Resources and Contact Information

IARD INFORMATION	RESOURCE
Help & Training	<a href="https://www.iard.com/help-training">https://www.iard.com/help-training</a>
Form ADV Part 1	<a href="http://www.iard.com/part1instructions.asp">http://www.iard.com/part1instructions.asp</a>
Form ADV Part 2	<a href="http://www.iard.com/part2instructions.asp">http://www.iard.com/part2instructions.asp</a>
Form BR	<a href="http://www.iard.com/uniform_branch_office_registration_form.asp">http://www.iard.com/uniform_branch_office_registration_form.asp</a>
IARD Call Center	(240) 386-4848

SECURITIES DIVISION INFORMATION	RESOURCE
Website	<a href="http://dfi.wa.gov/investment-advisers">http://dfi.wa.gov/investment-advisers</a>
General Mailbox	<a href="mailto:IALicensing@dfi.wa.gov">IALicensing@dfi.wa.gov</a>
General Questions	(360) 902-8815
Pooled Investment Vehicles/Private Fund Advisers	(360) 902-8786

If you have any questions, please feel free to contact us via email at [IALicensing@dfi.wa.gov](mailto:IALicensing@dfi.wa.gov) or by phone at (360) 902-8815.

Thank you,

Securities Division