

## **SECURITIES ACT POLICY STATEMENT 21**

RE: ADVISORY FEE BILLING INFORMATION REQUIRED TO BE DISSEMINATED TO CLIENTS UNDER  
WAC 460-24A-220

### **Question presented:**

What information must investment advisers give clients regarding billing for advisory fees and how often must this information be given?

### **Rule:**

**WAC 460-24A-220** imposes a fiduciary duty on investment advisers and prohibits them from engaging in any act, practice, or course of business which is fraudulent, deceptive, manipulative or unethical.

### **Discussion:**

The Securities Administrator finds that, in order to avoid engaging in a deceptive practice and to act consistent with an investment adviser's fiduciary duty to its clients, advisory clients must be able to easily confirm the accuracy of advisory fees charged. Consistent with this duty, when an investment adviser charges an advisory fee, the investment adviser is required to provide advisory clients with written billing information which must contain the fee(s), the formula used to calculate the fee(s), and the time period covered by the fee(s). This written billing information must be delivered to the client each time the investment adviser charges a fee and retained in accordance with the WAC 460-24A-200(5)(a) record retention period.

Adopted: December 18, 2014

William M. Beatty, Securities Administrator

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