



# Office of the Kansas Securities Commissioner

*A division of the Kansas Insurance Department*

Ken Selzer, CPA, Commissioner of Insurance  
John Wine, Interim Securities Commissioner

## **INVESTMENT ADVISER AND INVESTMENT ADVISER REPRESENTATIVE RENEWALS FOR 2019**

**Renewal Program Bulletin:** The 2019 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 12, 2018** – Preliminary Renewal Statements are available in E-Bill.

**December 17, 2018** – 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 27, 2018 (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 2019.

**January 2, 2019 (5:00 a.m. ET)** – Web CRD and IARD are available with complete functionality. Final Renewal 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.

**Annual Review:** Per K.A.R. 81-14-10(a)(1), investment adviser firms are required to conduct a review, at least annually, of their business, which shall be reasonably designed to assist in detecting

and preventing violations of and achieving compliance with the Kansas Uniform Securities Act and the regulations related thereto. Evidence of this review must be maintained and will be examined at each audit conducted by our office.

**Cybersecurity Guidance:** Kansas law requires any person who, in the ordinary course of their business, collects, maintains, or possesses the personal information of any other person, to implement and maintain reasonable procedures and practices appropriate to protect the personal information from unauthorized access, use, modification or disclosure (K.S.A. 50-6,139b). Upon discovery of a security breach, an investigation must be conducted to determine the likelihood that personal information has been or will be misused. If the investigation reveals that the misuse of the information has occurred or is reasonably likely to occur, notice must be given as soon as possible to the affected Kansas resident (K.S.A. 50-7a02). When a security breach requires notification of more than 1,000 consumers at a time, Kansas law requires the person to also notify all nationwide consumer reporting agencies of the security breach. Investment advisers must 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. Appropriate records should be maintained to show compliance with these requirements.

**Elder Abuse:** As financial services professionals, investment adviser representatives may become aware or suspect that a client could be the victim of abuse, neglect or exploitation. K.S.A. 39-1431(c) provides that any person having reasonable cause to suspect or believe that an adult is being or has been abused, neglected or exploited, or is in need of protective services, may report such information to the Kansas Department for Children and Families at 1-800-922-5330. "Exploitation" is defined by Kansas statute as misappropriation of an adult's property or intentionally taking unfair advantage of an adult's physical or financial resources for another individual's personal or financial advantage by the use of undue influence, coercion, harassment, duress, deception, false representation or false pretense by a caretaker or another person. Investment adviser firms should establish and maintain written supervisory procedures related to the identification, escalation and reporting of matters related to suspected financial exploitation.

Firms are encouraged to check our website ([www.ksc.ks.gov](http://www.ksc.ks.gov)) on a regular basis to remain abreast of information and regulatory changes affecting Kansas investment advisers and their business operations. The Kansas Registered Investment Adviser Guidelines Booklet can be accessed by clicking on Industry Professionals, then Investment Advisers. The booklet is the fifth item listed under the Investment Adviser heading.

**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.