



IDAHO DEPARTMENT OF FINANCE
Securities Bureau
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INVESTMENT ADVISER (IA) FIRM APPLICATION PROCEDURES AND INFORMATION

De minimis Exemption: Idaho Code Section 30-14-403 provides that any Investment Adviser Firm (IA) that does not have a place of business in Idaho and that has not had more than 5 Idaho clients during the preceding 12-month period is exempt from licensing as an IA. At such time as you have 6 Idaho clients, then you must make one of the following filings with this Department:

1. **Federally regulated firms:** The Dodd-Frank Act grants exclusive jurisdiction to the Securities and Exchange Commission ("SEC") for IA's with \$100 million or more under management. However, Dodd-Frank allows the states to require IAs licensed by the SEC to file a notice as prescribed by the state. In Idaho, the notice filing should be filed through the Investment Adviser Registration Depository ("IARD"). The web address for this electronic filing is www.iard.com. The Idaho application fee is \$30. (Notice filings expire on December 31 of each year). **Note:** Please see IA representative information at the end of this document.
2. **State regulated firms:** IA's with less than \$100 million under management will be regulated exclusively at the state level. State regulated IA's are allowed to comply with the record-keeping, bonding, and financial requirements of the IA's home state. Consequently, the following application requirements will apply:

Note: please see IA representative information at the end of this document.

A. An IA firm domiciled in the State of Idaho is required to file the following:

- i. **Items to be filed through the Investment Adviser Registration Depository (IARD).** Go to www.iard.com for instructions on how to obtain entitlement and make a filing:
(**Note: When asking for entitlement to use the system, ask for entitlement for both IARD and CRD**)
 - a) \$150 filing fee (licenses expire on December 31 of each year).
 - b) Form ADV Part IA, IB, and new Part 2 (including all necessary Schedules)

For a free editable PDF version of the new Form ADV Part 2 go to:
<http://www.nasaa.org/industry-resources/uniform-forms/form-adv/>

For operator questions and FAQ, please refer to www.iard.com/UserSupport.asp or call the **IARD Hotline at 1-240-386-4848**.

ii. Items to be filed directly with this Department:

- a) A \$25,000 Idaho Indemnity Bond in the **legal** name of the Investment Adviser firm (bond is required to be signed by an officer of the firm and the original mailed to this Department – make a copy for your records);
- b) A balance sheet (dated within 90 days of your filing) does not have to be audited, but is required to be prepared substantially in accordance with Generally Accepted Accounting Principles (GAAP);
- c) A copy of the form used as a contract with client; and
- d) Designate an officer of the firm as "**Qualifying Officer**." To do so, please submit the following (**NOTE – A Qualifying Officer is required to register as an investment adviser representative of the IA, if the qualifying officer falls within the definition of an investment adviser representative as set forth in Section 30-14-102(16) of the Idaho Uniform Securities Act ("IUSA") and an exemption from registration pursuant to Section 30-14-404(b) of the IUSA is unavailable.**):
 1. Name of, and title of office held by the qualifying officer. **This individual must be an officer of the firm.**

2. A qualifying officer must have passed either the Modified Series 65 **or** both the Modified Series 66, and the SIE and Series 7 unless the applicant has passed the old Series 65 or the old Series 66 prior to January 1, 2000 and has been registered with an investment adviser within the past two years. In this case, the applicant is grandfathered. If the applicant is considered grandfathered, the SIE and Series 7 are not required. These examinations are administered by FINRA.

Waivers: The examination requirement does not apply to an applicant who currently holds one of the following professional designations:

- Certified Financial Planner (CFP) granted by the Certified Financial Planners Board of Standards;
- Chartered Investment Counselor (CIC) granted by the Investment Adviser Association;
- Chartered Financial Consultant (ChFC) granted by the American College;
- Personal Financial Specialist (PFS) granted by the American Institute of Certified Public Accountants; and
- Chartered Financial Analyst (CFA) granted by the Chartered Financial Analyst Institute.

B. An IA firm domiciled in another State that is required to be licensed in the State of Idaho is required to file the following. Please see de minimis exemption information provided in the first paragraph:

i. **Items to be filed through the Investment Adviser Registration Depository (IARD).** Go to www.iard.com for instructions on how to obtain entitlement and make a filing:
(Note: When asking for entitlement to use the system, ask for entitlement for both IARD and CRD)

- a) \$150 filing fee (licenses expire on December 31 of each year)
- b) Form ADV Part IA, IB, and new Part 2 (including all necessary Schedules)

For a free editable PDF version of the new Form ADV Part 2 go to:
<http://www.nasaa.org/industry-resources/uniform-forms/form-adv/>

ii. **Items to be filed directly with this Department:**

- a) The same qualifying officer information as described in 2(A)(ii)(d) above.
(Note: we rely on the home state to regulate record-keeping, bonding, and financial requirements)

For operator questions and FAQ, please refer to www.iard.com/UserSupport.asp or call the **IARD Hotline at 1-240-386-4848**.

Rule 89.02: Incomplete Applications. After a period of six (6) months from the date of receipt by the Department, an incomplete application will automatically be considered abandoned and withdrawn if the requirements have not been fulfilled.

PLEASE BE ADVISED THAT THE STATE OF IDAHO REQUIRES ADHERENCE TO THE INVESTMENT ADVISERS ACT OF 1940 AND THE RULES UNDER THE ACT WHICH MAY BE FOUND AT THE FOLLOWING WEB ADDRESSES: Please note that both addresses are case sensitive:

Investment Advisers Act of 1940
<https://www.sec.gov/about/laws/iaa40.pdf>

Rules Under the Investment Advisers Act of 1940
<http://www.sec.gov/about/laws/secrulesregs.htm>

Books and records requirements may be found at [Rule 275.204-2](#)

REPRESENTATIVE ("REP") INFORMATION:

Please refer to enclosed investment adviser rep information sheet for application procedures.

Federally regulated firms: IA reps whose place of business is located in Idaho must be licensed by the state.

State regulated firms: Any rep who will be doing business in the state of Idaho must be licensed.

Dual registration exemption: Please see enclosed IA rep info sheet (Page 2, C) for a definition of this exemption.