

Web CRD[®] & IARD[™] Training

IARD Overview



IARD Background

■ What is an Investment Adviser?

- Any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analysis or reports concerning securities.

■ SEC Objectives

- Establish a registration system for individuals and Investment Adviser firms.
- Establish a Public Disclosure system for Investment Advisers.
- Electronic filings that can satisfy SEC and state notice filing requirements.

IARD Background (Continued)

■ IARD System Users

- SEC registered and State registered Investment Advisers.
- SEC and state regulators.

Dodd-Frank Overview

- **In July 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act.**
- **The law makes numerous changes to the registration, reporting and recordkeeping requirements of the Investment Advisers Act of 1940.**
 - Eliminates the current “private adviser” exemption clause in the Investment Advisers Act of 1940. Replaces this “private adviser” exemption with several narrower exemptions.
 - Provides the SEC with the authority to collect data from investment advisers about their private funds.
- **Changes to Assets Under Management.**

SEC vs. State Registration

■ Assets Under Management (AUM) Requirements

- **AUM Eligibility to Register with the SEC**, Assets Under Management must be greater than \$100 million.
- **AUM Eligibility to register with a State**, Assets Under Management must be greater than \$25 million but less than \$100 million.
- Firms with Assets Under Management between \$90 million and \$110 million can choose to register with the SEC or state.

■ **Regardless of AUM, a firm may be required to register with the SEC if it meets any of the criteria in Item 2 of Form ADV.**

Exempt Reporting Advisers (ERAs)

- **The Dodd-Frank Act requires certain investment advisers that are exempt from registration to report to the SEC as an Exempt Reporting Adviser via Form ADV.**
- **What is an Exempt Reporting Adviser (ERA)?**
 - An investment adviser that qualifies for the exemption from registration under section 203(l) of the Advisers Act because it is an adviser solely to one or more venture capital funds, or under rule 203(m)-1 of the Advisers Act because it is an adviser solely to private funds and has assets under management in the United States of less than \$150 million.
- **ERAs may also be required to report to and/or register with a state.**
- **The Form ADV filing option to report to the SEC and/or states will not be available in IARD until November 7, 2011.**

Additional SEC and State Registration Information

- **Contact the SEC for guidelines on SEC registration/ reporting: www.sec.gov/iard.**
- **State registration/reporting requirements vary by state. Contact your state securities authority for guidance on state registration.**
 - The North American Securities Administrators Association (NASAA) provides additional information on state registration/reporting requirements as well as contact information for all state securities authorities: www.nassa.org.

Form Filings submitted by Investment Advisers

- Investment Advisers use both IARD and Web CRD to submit form filings.

IA Firm Form Filings	System
Form ADV	IARD
Form ADV-W	IARD
Form ADV-E	IARD
Form BR	Web CRD
Form PF	PFRD

IA Representative Form Filings	System
Form U4	Web CRD
Form U5	Web CRD

Additional Information

■ For Additional Information:

- IARD Web Site: www.iard.com
- SEC Web Site: www.sec.gov/iard
- NASAA Web Site: www.nasaa.org
- IAPD Web Site: www.adviserinfo.sec.gov