

Registration Requirements for Investment Advisers

See [§ 73-302 of the Delaware Securities Act](#) and Rules 700 (a), (b), (d), and (e) of the [Rules Pursuant to the Delaware Securities Act](#) for more information. Failure to comply with the registration requirements set forth in the Delaware Securities Act, the Rules Pursuant to the Delaware Securities Act, and the Financial Industry Regulatory Authority (“FINRA”) may result in an application being marked “deficient,” “abandoned” or “denied” by the Investor Protection Unit (“IPU”).

I. IARD Participation Is Required Prior to Registering as an Investment Adviser in Delaware

An initial application for registration as an Investment Adviser in Delaware must be filed through the Investment Adviser Registration Depository (“IARD”). If the applicant is not already a participant in the IARD, participation must be initiated before applying for Delaware registration. For detailed information, forms and instructions on IARD participation, please see www.iard.com.

1. Set up an IARD user account via the entitlement process; follow instructions at www.iard.com.
2. File Form ADV Part 1A, Form ADV Part 1B and the appropriate schedules through IARD.
 - a. The forms must be uploaded as an attachment to the firm’s IARD record in searchable PDF format.
 - b. “DE” must be identified in Part 1B, Item 1.
3. The \$300 Delaware Investment Adviser Filing Fee will be deducted from your IARD account.
4. Any other information that the IARD may require for applying.

NOTE ABOUT IARD: IARD may require additional information that the IPU does not require or request. You are not exempt from providing any additional information to IARD even if you did not have to provide that information to the Delaware IPU. Failure to provide the requested information to IARD may result in your application being rejected from IARD. If your application is rejected by IARD, then your application to be an investment adviser in Delaware may also be rejected.

NOTE ABOUT PAYMENT: financial remittances to the IARD are managed through E-Bill and are not submitted to the regular IARD addresses. An IA will have a Super Account Administrator who handles the firm’s E-Bill issues. E-Bill user rights are set up at www.iard.com/account#ebill. All payments to the IARD account should be submitted directly to FINRA; questions regarding FINRA should be directed to the FINRA Gateway Call Center, 240-386-4848 or entsupport@finra.org.

II. The Following Needs to Be Submitted to the Investor Protection Unit through IARD by an Investment Adviser Applying for Registration

1. Form ADV [Part 1A](#) and [Form ADV Part 1B](#) (The Uniform Application for Investment Adviser Registration under the Investment Adviser’s Act of 1940) (see above);
2. Payment for the Delaware Application Fee (see above);
3. Identification of at least one investment adviser representative and at least one supervisor that will be seeking registration in Delaware;
 - o Note –For registering an investment adviser representative, see Section III below.
4. The IPU will review the documents and information listed below; additional documents may be required, which may be provided to the IPU electronically:
 - a. Form ADV

- b. Brochure
 - c. Written Supervisory Procedures, which will need to include the following:
 - i. Handling and reporting of suspected exploitation of vulnerable adults and senior citizens as per Section 73-307 of the Delaware Securities Act;
 - ii. Supervisory responsibilities;
 - iii. Business continuity and succession planning;
 - iv. Procedure for accurate reporting of disclosures;
 - v. Safeguarding of client assets;
 - vi. Safeguarding of records;
 - vii. Data privacy;
 - viii. Cybersecurity practices;
 - ix. Record retention and destruction policies;
 - x. Trading procedures; and
 - xi. Handling of customer complaints.
 - d. A client agreement, which will need to:
 - i. Disclose the services the IA agrees to provide;
 - ii. Disclose the advisory fee and any other fee that the client may be charged, including the formula for computing any and all fees;
 - iii. Disclose the amount of prepaid fees to be returned in the event of a contract termination or non-performance;
 - iv. Include a provision stating that “the investment adviser representative shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client”; and
 - v. Include a provision stating that no assignment of contract may be made without the consent of the client.
 - e. Assets under management
 - f. Number of current Delaware clients
 - g. Fee model, structure and schedule
 - h. Investment advisory or management services to be offered
 - i. Outside businesses
 - j. Location of IA
 - k. Location of books and records
 - l. Form of organization
 - m. Disclosures, including written explanations and supporting documents
 - n. Registration status
 - o. Designated officers / owners / principals / control persons / compliance officers / IA reps
 - p. Examination information
 - q. Balance sheet
5. Any additional information requested by the IPU Director. The Investor Protection Unit Director has the authority to request any additional information that is reasonable and required to determine the applicant’s qualification to be an Investment Adviser in Delaware, including but not limited to documents set forth in Rule 706 and documents demonstrating compliance with Rules 704 and 705. Failure to timely provide the additional information may result in the Director marking your application as “abandoned” or “denied.”

NOTE ABOUT APPLICATION STATUS: An application is not deemed complete until the IPU has received all documents requested from the applicant. A firm must be registered in its home state before the IPU will begin to process an application and seek additional documents to complete the application.

NOTE ABOUT REGISTRATION STATUS IN DELAWARE: An investment advisor applicant is not registered in Delaware until the IPU approves the applicant's registration in IARD.

III. The Following Needs to Be Submitted to the Investor Protection Unit through IARD by an Investment Adviser Applying for Registration for an Investment Adviser Representative.

Any Investment Adviser who will have at least one investment adviser representative working in Delaware for them must send the following information to the IPU:

1. Form U-4 (The investment adviser representative's Uniform Application for Securities Industry Registration or Transfer, which must be submitted on FINRA CRD)
2. The investment adviser representative's application to the Financial Industry Regulatory Authority's Central Registration Depository. Must include \$65 payment.
3. Proof that the IAR has met the testing requirements set forth in Rule 701 or holds one of the professional designations set forth in Rule 710. Delaware does not grant waivers of the testing requirements.
4. Any other information that the Director may require for applying.

The IPU has the authority to request any additional information that is reasonable and required to make its determination. Failure to timely provide the additional information may result in the Director marking an application as "deficient," "abandoned" or "denied" in CRD.