



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency: Department of Financial Institutions, Securities Division

Permanent Rule Only

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose:

The Securities Division hereby amends the investment adviser rules set forth in Chapter 460-24A WAC. The amendments update various provisions of the investment adviser rules, including the rules regarding examination and registration requirements, financial reporting requirements, custody, performance compensation arrangements, books and records requirements, and unethical business practices. The amendments add new rule sections addressing compliance policies and procedures, proxy voting, and advisory contracts. In addition, the amendments create exemptions from registration for certain private fund and venture capital fund advisers. The amendments repeal WAC 460-24A-058, which defines when an application is considered filed; and make additional updates, clarifications, and changes to the rules.

Citation of existing rules affected by this order:

Repealed: WAC 460-24A-058

Amended: WAC 460-24A-005; WAC 460-24A-010; WAC 460-24A-020; WAC 460-24A-030; WAC 460-24A-040; WAC 460-24A-045; WAC 460-24A-047; WAC 460-24A-050; WAC 460-24A-057; WAC 460-24A-060; WAC 460-24A-070; WAC 460-24A-080; WAC 460-24A-100; WAC 460-24A-105; WAC 460-24A-106; WAC 460-24A-107; WAC 460-24A-108; WAC 460-24A-109; WAC 460-24A-110; WAC 460-24A-140; WAC 460-24A-145; WAC 460-24A-150; WAC 460-24A-160; WAC 460-24A-170; WAC 460-24A-200; WAC 460-24A-205; WAC 460-24A-210; WAC 460-24A-220.

Suspended: None

Statutory authority for adoption: RCW 21.20.005; 21.20.020; 21.20.030; 21.20.040; 21.20.050; 21.20.060; 21.20.070; 21.20.080; 21.20.090; 21.20.100; 21.20.100; 21.20.330; 21.20.340; 21.20.450; and 21.20.702.

Other authority: None.

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 14-08-097 on April 2, 2014.

Describe any changes other than editing from proposed to adopted version:

None.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: _____ phone () _____
Address: _____ fax () _____
e-mail _____

Date adopted: 6/12/14

NAME (TYPE OR PRINT)

Scott Jarvis

SIGNATURE

TITLE

Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 12, 2014

TIME: 4:42 PM

WSR 14-13-068

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

The number of sections adopted at the request of a nongovernmental entity:

	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted in the agency's own initiative:

	New	<u>7</u>	Amended	<u>28</u>	Repealed	<u>1</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted using:

Negotiated rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>