

MEMO# 2352

November 28, 1990

RHODE ISLAND ISSUES FINAL INVESTMENT ADVISER REGULATIONS

November 28, 1990 TO: INVESTMENT ADVISER MEMBERS NO. 55-90 INVESTMENT ADVISER ASSOCIATE MEMBERS NO. 51-90 RE: RHODE ISLAND ISSUES FINAL INVESTMENT ADVISER REGULATIONS _____ The Rhode Island Division of Securities has issued final regulations regarding the registration of investment advisers and investment adviser representatives which will become effective on December 6, 1990. A copy of the final regulations is attached. The regulations set forth the exemptions from the definition of investment adviser representatives, as well as defining unethical or dishonest practices, the reporting and record keeping requirements and the custody conditions for investment advisers. Regulation R.215b-1 outlines a bond requirement for advisers who are not registered with the SEC. The amount of the bond will be set by order of the director, with a minimum amount of \$100,000 and a maximum amount of \$1,000,000. Investment adviser representatives associated with the adviser must file a bond in an amount to be set by order of the director of at least \$10,000 but no greater than \$100,000. Certain of the proposed regulations were not included in the final regulations and will be repropoed at a later date. Such regulations include those relating to the examination requirement, post-licensing filing requirements and certain unethical or dishonest business practices. * * * We will keep you advised of developments. Patricia Louie Assistant General Counsel Attachment

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