



STATE OF WASHINGTON  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**SECURITIES DIVISION**

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**SMALL BUSINESS ECONOMIC IMPACT SURVEY**

**Re: Washington Investment Adviser Rule Amendments**

The Washington Securities Division is conducting a survey of its state registered investment advisers, its exempt reporting advisers, and a representative sample of its notice-filed federal covered investment advisers to determine the economic impact of possible amendments to Washington's investment adviser rules in Chapter 460-24A WAC.

For your reference, we have provided a copy of the draft rule amendments at <https://dfi.wa.gov/rulemaking/investment-adviser-rulemaking>. We may make changes to the draft rules based on feedback from this survey. Once the Securities Division has analyzed the results of the survey, we will formally propose amendments to the rules in a rulemaking filing. The notice of proposed rules will include a comment deadline and public hearing date.

Participation in the survey is voluntary. If you wish to participate, please complete the survey no later than **March 20, 2026**. We appreciate your assistance.

Name of Investment Adviser: \_\_\_\_\_

Name of Person Completing Survey: \_\_\_\_\_

Title of Person Completing Survey: \_\_\_\_\_

Email: \_\_\_\_\_

1. Your investment adviser firm is a (check one):

- State Registered Adviser   
Exempt Reporting Adviser   
Federal Covered Adviser

2. Including yourself, how many employees does your investment adviser have? \_\_\_\_\_.

3. What was the total revenue of the investment adviser in the last fiscal year? \_\_\_\_\_.

4. What was the total income of the investment adviser for its last fiscal year? \_\_\_\_\_.

5. What was the total payroll of the investment adviser for its last fiscal year? \_\_\_\_\_.

**Examination Requirements**

6. The draft rules would make the following amendments to the examination requirements in WAC 460-24A-050:

- Provide exam validity extension for FINRA exams for up to 5 years for persons who participate in the FINRA Maintaining Qualifications Program.
- Provide exam validity extension for NASAA exams for up to 5 years in accordance with the NASAA Investment Adviser Representative Examination Validity Extension Program Model Rule.
- Add the Certified Investment Management Analyst (CIMA) designation to the list of designations that will qualify the holder for an examination waiver.
- Remove the Chartered Investment Counselor (CIC) designation from the list of designations that may qualify the holder for an exam waiver. This designation was removed from the NASAA Examination Requirements Model Rule.

a. Will there be any additional cost to your business to comply with these rule changes? Yes  No

b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.

c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:

- Equipment \$\_\_\_\_\_.
- Supplies \$\_\_\_\_\_.
- Labor \$\_\_\_\_\_.
- Increased administrative costs \$\_\_\_\_\_.

d. Please describe any other compliance costs associated with the draft rule changes:

**Filing of Business Continuity Plan**

7. The draft rules would amend WAC 460-24A-050(6) to require the filing of the investment adviser’s current business continuity plan with an initial application for registration. A business continuity plan is currently required under WAC 460-24A-126, but the Securities Division has not previously required it to be filed.

- a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.
- d. Please describe any other compliance costs associated with this draft rule change:

**Errors & Omissions Insurance Requirement**

8. The draft rules would create a new rule at WAC 460-24A-051 that will require investment advisers registered in Washington to maintain an errors and omissions insurance policy of at least \$1 million. The draft rules would also amend WAC 460-24A-205 to require the submission of annual proof of errors and omissions insurance, and a requirement to notify the Securities Division if insurance coverage is terminated or modified.
  - a. Do you currently maintain an errors insurance policy of \$1 million or more?  
Yes  No
  - b. If you have errors & omissions insurance, what is the annual cost to maintain your errors & omissions insurance? \_\_\_\_\_.
  - c. Will there be any additional cost to your business to comply with this rule change?  
Yes  No
  - d. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
  - e. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
    - Equipment \$\_\_\_\_\_.
    - Supplies \$\_\_\_\_\_.
    - Labor \$\_\_\_\_\_.
    - Increased administrative costs \$\_\_\_\_\_.

- f. Please describe any other compliance costs associated with this draft rule:

**IAR Continuing Education Requirement**

9. The draft rules would create a new rule at WAC 460-24A-056 that adopts a continuing education requirement for investment adviser representatives (IARs) consistent with the NASAA IAR Continuing Education Model Rule. The draft rules would also add definitions of terms used in the continuing education rule to WAC 460-24A-005.

Under the draft rule, IARs would be required to complete six credits of ethics and professional responsibility content and six credits of products and practice content annually. If an IAR was out of compliance at the end of one annual period, and failed to make up the missing credits by the end of the next annual period, the Securities Division would have a basis to not renew the IAR’s registration.

If the draft rule is adopted, the Securities Division anticipates that IARs will begin accruing continuing education credits on January 1, 2027, and will report credits for the first time in December 2027.

- a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$ \_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
- Equipment \$ \_\_\_\_\_.
  - Supplies \$ \_\_\_\_\_.
  - Labor \$ \_\_\_\_\_.
  - Increased administrative costs \$ \_\_\_\_\_.
- d. Please describe any other compliance costs associated with this draft rule:

**Increase in Delinquency Fee**

10. The draft rules would revise WAC 460-24A-057(2) to increase the delinquency fee for a late investment adviser renewal application from \$50 to \$100.

- a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.
- d. Please describe any other compliance costs associated with this draft rule change:

**Private Fund Adviser Exemption**

11. The draft rules would make the following amendments relating to the private fund adviser exemption at WAC 460-24A-071:

- Incorporate the definition of “private fund adviser” and “qualifying private fund” into the text of WAC 460-24A-071. They are currently located in WAC 460-24A-005.
- Correct a citation to the Investment Company Act. The current definition of “qualifying private fund” in WAC 460-24A-005 includes an erroneous citation to the Investment Advisers Act instead of the Investment Company Act.
- Update the date of the most recent amendment date of Rule 506(d), which is cited for the purpose of its disqualification provisions.

- a. Will there be any additional cost to your business to comply with these rule changes? Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.

- d. Please describe any other compliance costs associated with these draft rule changes:

**Venture Capital Fund Adviser Exemption**

12. The draft rules would make the following amendments to the venture capital fund adviser exemption at WAC 460-24A-072:

- Add the most recent amendment date of Rule 203(l)-1. This is the federal rule that defines a venture capital fund.
- Add the most recent amendment date of Rule 506(d), which is referenced in the exemption for the purpose of its disqualification provisions.

a. Will there be any additional cost to your business to comply with these rule changes? Yes  No

b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.

c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:

- Equipment \$\_\_\_\_\_.
- Supplies \$\_\_\_\_\_.
- Labor \$\_\_\_\_\_.
- Increased administrative costs \$\_\_\_\_\_.

d. Please describe any other compliance costs associated with these draft rule changes:

**Advertising**

The draft rules would revise the advertising rule at WAC 460-24A-100 to adopt the provisions of the SEC Marketing Rule (Rule 206(4)-1). The SEC Marketing Rule allows the use of testimonials, endorsements, and third-party ratings in advertisements (subject to certain requirements), and establishes requirements for the use of performance information in advertisements.

a. Will there be any additional cost to your business to comply with this rule change? Yes  No

- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
- Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.
- d. Please describe any other compliance costs associated with this draft rule change:

**Custody Rules**

13. The draft rules would make the following revisions to the custody rules in WAC 460-24A-106 through WAC 460-24A-109:

- Revise WAC 460-24A-106(1)(b)(ii) to clarify that the fee calculation formula provided on the invoice may be either textual or mathematical.
- Revise WAC 460-24A-107(1) through (5) to clarify, consistent with the title of the rule, that these provisions apply to trusts.
- Repeal WAC 460-24A-108 (see page 57 of the draft rules).
- Revise WAC 460-24A-109(3)(a) to clarify that the family relationships described are those of the person serving as trustee.

a. Will there be any additional cost to your business to comply with these rule changes? Yes  No

b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.

c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:

- Equipment \$\_\_\_\_\_.
- Supplies \$\_\_\_\_\_.
- Labor \$\_\_\_\_\_.
- Increased administrative costs \$\_\_\_\_\_.

d. Please describe any other compliance costs associated with these draft rule changes:

**Physical and Cybersecurity Policies and Procedures**

14. The Securities Division currently requires investment advisers to maintain written physical and cybersecurity policies and procedures. This requirement is in the recordkeeping rule at WAC 460-24A-200(1)(bb).

The draft rules would create a new stand-alone rule at WAC 460-24A-121 to specify the required content of the written physical and cybersecurity policies and procedures. The text is based on the NASAA Model Rule for Investment Adviser Written Policies and Procedures.

- a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.
- d. Please describe any other compliance costs associated with this draft rule change:

**Privacy Policy**

15. The draft rules would revise the material nonpublic information policies and procedures rule at WAC 460-24A-122 to add a requirement for the investment adviser to deliver a privacy policy to each client upon engagement and on an annual basis thereafter. This requirement is based on the NASAA Model Rule for Investment Adviser Written Policies and Procedures.

- a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.

- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
- Equipment \$ \_\_\_\_\_.
  - Supplies \$ \_\_\_\_\_.
  - Labor \$ \_\_\_\_\_.
  - Increased administrative costs \$ \_\_\_\_\_.
- d. Please describe any other compliance costs associated with this draft rule change:

**Code of Ethics**

16. The Securities Division currently requires investment advisers to maintain a written code of ethics under the recordkeeping rule at WAC 460-24A-200(1)(aa).

The draft rules would create a new stand-alone rule at WAC 460-24A-123 to specify the content of the code of ethics. The text is based on the NASAA Model Rule for Investment Adviser Written Policies and Procedures. The draft rules would also revise WAC 460-24A-005 to define the terms used in the code of ethics rule.

- a. Will there be any additional cost to your business to comply with these updates?  
Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$ \_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
- Equipment \$ \_\_\_\_\_.
  - Supplies \$ \_\_\_\_\_.
  - Labor \$ \_\_\_\_\_.
  - Increased administrative costs \$ \_\_\_\_\_.
- d. Please describe any other compliance costs associated with these updates:

**Proxy Voting Policies and Procedures**

17. The draft rules would amend the proxy voting policies and procedures requirement at WAC 460-24A-125 to conform its language to the NASAA Model Rule for Investment Adviser Written Policies and Procedures and to state that the investment adviser must conduct an annual review of the policy.

a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No

b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.

c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:

- Equipment \$\_\_\_\_\_.
- Supplies \$\_\_\_\_\_.
- Labor \$\_\_\_\_\_.
- Increased administrative costs \$\_\_\_\_\_.

d. Please describe any other compliance costs associated with this draft rule change:

### **Advisory Contract**

18. The draft rules would revise the advisory agreement rule at WAC 460-24A-130 to add a requirement that the advisory agreement state the physical and mailing address of the investment adviser's principal place of business. This requirement would apply to advisory contracts signed after the date the amended rule is adopted.

a. Will there be any additional cost to your business to comply with this rule change?  
Yes  No

b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.

c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:

- Equipment \$\_\_\_\_\_.
- Supplies \$\_\_\_\_\_.
- Labor \$\_\_\_\_\_.
- Increased administrative costs \$\_\_\_\_\_.

d. Please describe any other compliance costs associated with this draft rule change:

**Qualified Client Definition**

19. The draft rules would amend the performance compensation rule at WAC 460-24A-150 to update the definition of “qualified client” to conform to the current federal definition.

The draft rules would also add a new subsection (10) that states that the Securities Administrator may issue an order to update the definition of “qualified client” to conform to the periodic adjustments to the dollar amount thresholds in the definition as established by the SEC. This would allow more timely updates to the definition in Washington and promote uniformity with federal law.

- a. Will there be any additional cost to your business to comply with these rule changes? Yes  No
  
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
  
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.
  
- d. Please describe any other compliance costs associated with these draft rule changes:

**Books and Records**

20. The draft rules would make the following amendments to the books and records rule at WAC 460-24A-200:

- Revise recordkeeping requirements for advertisements consistent with the adoption of the SEC Marketing Rule.

- Revise subsection (1)(r) to include net worth, liquid net worth, and annual income to the written client suitability information that advisers must keep.
- Revise subsection (1)(y) to require evidence of annual review of business continuity plan, and a requirement to store a hard copy.
- Revise subsection (1)(y) and other subsections to add references to the new rules at WAC 460-24A-121 and WAC 460-24A-123.
- Specify that the documentation required under subsection (1)(dd) must be made within 10 business days.
- Add new subsection (1)(ff) to require adviser to keep documentation of its due diligence regarding third-party vendors.
- Add new subsection (1)(gg) to require advisers to keep a record of a trusted contact person for clients.
- Revise subsection (5)(c) to change the retention period from five years to six years. This change is consistent with the retention period in subsection 5(a).

a. Will there be any additional cost to your business to comply with the rule changes?  
 Yes  No

b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$ \_\_\_\_\_.

c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:

- Equipment \$ \_\_\_\_\_.
- Supplies \$ \_\_\_\_\_.
- Labor \$ \_\_\_\_\_.
- Increased administrative costs \$ \_\_\_\_\_.

d. Please describe any other compliance costs associated with these draft rule changes:

**Notice of Changes**

21. The draft rules would make the following amendments to the notice of changes rule at WAC 460-24A-205:

- Revise subsection (1)(c) to clarify that an investment adviser may not use new or amended advisory contracts or offering materials until the director has cleared them for use.
- Add new subsection (1)(e) to require investment adviser to promptly file an amendment to Form BR if the information on the Form has become incomplete or inaccurate. This includes the opening, closing, relocation, or acquisition of a branch office in Washington, or the engagement of a new person in charge of a branch office in Washington.

- a. Will there be any additional cost to your business to comply with these rule changes? Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.
  - Labor \$\_\_\_\_\_.
  - Increased administrative costs \$\_\_\_\_\_.
- d. Please describe any other compliance costs associated with these draft rule changes:

**Unethical Business Practices**

22. The draft rules would make the following amendments to the unethical business practices rule at WAC 460-24A-220.
- Revise subsections (6) and (7) to allow borrowing or lending to relatives as defined in RCW 21.20.005(13).
  - Revise subsection (13) to change the reference from Rule 206(4)-1 to WAC 460-24A-100.
  - Revise subsection (17) to update references to include new rule sections.
  - Add new subsections (27) through (29) to address unpaid arbitration awards. This language is modeled on the NASAA Unethical Practices of Investment Advisers Model Rule.
  - Add new subsection (30) to make it an unethical practice to fail to keep a copy of the written advisory contracts required by WAC 460-24A-130 and WAC 460-24A-200(1)(j).
  - Revise the closing paragraph to change the phrase “not inclusive” to “not exclusive.”

- a. Will there be any additional cost to your business to comply with these updates? Yes  No
- b. Please estimate the total annual cost of any additional professional services (legal, accounting, etc.) you will need to comply with this provision: \$\_\_\_\_\_.
- c. Please estimate your costs for equipment, supplies, labor, and/or increased administrative costs:
  - Equipment \$\_\_\_\_\_.
  - Supplies \$\_\_\_\_\_.

- Labor \$\_\_\_\_\_.
- Increased administrative costs \$\_\_\_\_\_.

d. Please describe any other compliance costs associated with these updates:

**Economic Impact of Rulemaking**

23. Do you believe that compliance with the draft rule amendments would result in lost sales or revenue for your business? Yes  No

a. If yes, please estimate the annual amount of lost sales or revenue: \$\_\_\_\_\_.

b. If yes, please identify which specific rule amendments you anticipate will result in lost sales or revenue:

24. Do you anticipate that compliance with the draft rule amendments would cause your business to eliminate any jobs? Yes  No  If yes, how many jobs? \_\_\_\_\_.

25. Do you anticipate that compliance with the draft rule amendments would cause your business to add any jobs? Yes  No  If yes, how many jobs? \_\_\_\_\_.

**Thank you for completing the survey.**