



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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Temporary No-action Relief for Registrants Affected by the COVID-19 Outbreak

Given the disruptions caused by the COVID-19 outbreak and dislocations affecting broker-dealers, state registered investment advisers, federal covered investment advisers, and their registered agents or representatives (collectively, “financial professionals”), the Washington State Department of Financial Institutions, Securities Division (DFI) will take no action to enforce the registration and other provisions of the Securities Act as described below.

I. Registration or Filing Relief

DFI understands that certain financial professionals who are not registered or notice filed with DFI have been displaced from their ordinary business locations, and are currently engaging, or may desire to engage, in activities that would require them to register or file with DFI.

A. DFI will temporarily take no action to enforce the registration requirements of RCW 21.20.040 and related regulations in the following circumstances:

1. The financial professional is working from a location outside of the jurisdiction in which the financial professional is currently registered as a response to the COVID-19 outbreak;
2. The financial professional was properly registered and/or notice filed with all required securities regulators and self-regulatory organizations as of March 1, 2020;
3. The financial professional is not currently the subject of an ongoing enforcement proceeding in any jurisdiction and is not in violation of the Washington Securities Act and related regulations, except for those provisions included within the scope of this no-action relief; and
4. The financial professional limits activities to existing customers or clients, and does not solicit new customers or clients in or from the State of Washington.

B. A financial professional who meets the conditions in Section I.A. above may engage in the following activities without registering or filing with DFI:

1. Conduct activities for which registration or filing with DFI as a financial professional would be required, but only with or on behalf of customers or clients

with whom the financial professional had an existing customer or client relationship on March 1, 2020;

2. Open and maintain a temporary branch office or office of supervisory jurisdiction in the State of Washington that was not in operation on March 1, 2020, provided that the financial professional informs DFI by electronic mail at ialicensing@dfi.wa.gov or bdlicensing@dfi.wa.gov of the (a) physical address of the office, (b) the names and registration statuses of all persons working in the office, and (c) a primary point of contact for the office, with full contact information.
3. As a consequence of the relief provided in this Section I, any firm that opens a temporary branch office in accordance with Section I.B.2. above is also relieved from the requirement to maintain updated Form U4 information regarding the office of employment address for registered persons who temporarily relocate due to the COVID-19 outbreak.

II. Relief from Requirement to Obtain Physical Signatures on Forms U4

Pursuant to WAC 460-22B-030 and 460-24A-047, DFI has designated the Financial Institutions Regulatory Authority (FINRA), through its Central Registration and Investment Adviser Registration Depositories (CRD and IARD), to receive and store filings and collect related fees from securities salespersons and investment adviser representatives. DFI understands that broker-dealers, state registered investment advisers and federal covered investment advisers may not be able to obtain physical signatures on Forms U4 in a timely manner as required by FINRA rules¹. DFI will take no action to enforce the registration requirements of RCW 21.20.040 if such firms submit Forms U4 electronically, without first obtaining physical signatures from individual agents or representatives, provided that the firm (a) provides the individual with a copy of the completed Form U4 prior to filing, (b) obtains the individual's written agreement prior to filing that the form's content is accurate and complete, (c) retains the written acknowledgement in accordance with the State of Washington's laws and regulations, and (d) obtains the applicant's physical signature as soon as practicable.

III. Relief from Annual Update Filings and Document Delivery Requirements by State-Registered Investment Advisers

DFI understands that state registered investment advisers may have difficulty updating their Forms ADV in a timely manner, as required by WAC 460-24A-205, or meeting their Form ADV delivery requirements, as required by WAC 460-24A-145. Accordingly, DFI will take no action to enforce these requirements if an investment adviser registered with DFI performs any of the Form ADV filing, updating, and customer delivery requirements up to 45 days after such action is due to be performed. Relief under this Section III is not available to any person not

¹ See FINRA, *Frequently Asked Questions Related to Regulatory Relief Due to the Coronavirus Pandemic* (Mar 18, 2020), available at <https://www.finra.org/rules-guidance/guidance/faqs/coronavirus>.

registered with DFI as an investment adviser, including any financial professional not registered in reliance upon Section I of this no-action relief.

IV. Coordinating Information and Enforcement

Financial professionals who rely on any provision of this no-action relief shall keep a copy of this document in their records to demonstrate their reliance on it. Any activities that do not meet the conditions outlined above may be treated by DFI as non-exempt and may constitute unregistered securities activity subject to state enforcement action.

This no-action relief shall remain in effect until April 30, 2020 unless extended or rescinded.



William Beatty, Securities Administrator

March 24, 2020

Effective Date

