

with the Commission, by filing a completed Form ADV-W within 180 days of the adviser's fiscal year end (unless the adviser then has at least \$25 million of assets under management or is otherwise eligible for SEC registration); and

(4) Maintains in an easily accessible place a record of the States in which the investment adviser has determined it would, but for the exemption, be required to register for a period of not less than five years from the filing of a Form ADV that includes a representation that is based on such record.

(f) *Internet investment advisers.* (1) An investment adviser that:

(i) Provides investment advice to all of its clients exclusively through an interactive website, except that the investment adviser may provide investment advice to fewer than 15 clients through other means during the preceding twelve months;

(ii) Maintains, in an easily accessible place, for a period of not less than five years from the filing of a Form ADV that includes a representation that the adviser is eligible to register with the Commission under paragraph (f) of this section, a record demonstrating that it provides investment advice to its clients exclusively through an interactive website in accordance with the limits in paragraph (f)(1)(i) of this section; and

(iii) Does not control, is not controlled by, and is not under common control with, another investment adviser that registers with the Commission under paragraph (c) of this section solely in reliance on the adviser registered under paragraph (f) of this section as its *registered adviser*.

(2) For purposes of paragraph (f) of this section, *interactive website* means a website in which computer software-based models or applications provide investment advice to clients based on personal information each client supplies through the website.

(3) An investment adviser may rely on the definition of *client* in § 275.203(b)(3)-1 in determining whether it provides investment advice to fewer than 15 clients under paragraph (f)(1)(i) of this section.

[62 FR 28133, May 22, 1997, as amended at 63 FR 39715, 39716, July 24, 1998; 65 FR 57450, Sept. 22, 2000; 67 FR 77625, Dec 18, 2002]

§ 275.203A-3 Definitions.

For purposes of section 203A of the Act (15 U.S.C. 80b-3a) and the rules thereunder:

(a)(1) *Investment adviser representative.* "Investment adviser representative" of an investment adviser means a supervised person of the investment adviser:

(i) Who has more than five clients who are natural persons (other than excepted persons described in paragraph (a)(3)(i) of this section); and

(ii) More than ten percent of whose clients are natural persons (other than excepted persons described in paragraph (a)(3)(i) of this section).

(2) Notwithstanding paragraph (a)(1) of this section, a supervised person is not an investment adviser representative if the supervised person:

(i) Does not on a regular basis solicit, meet with, or otherwise communicate with clients of the investment adviser;

or

(ii) Provides only impersonal investment advice.

(3) For purposes of this section:

(i) "Excepted person" means a natural person who is a qualified client as described in § 275.205-3(d)(1).

(ii) "Impersonal investment advice" means investment advisory services provided by means of written material or oral statements that do not purport to meet the objectives or needs of specific individuals or accounts.

(4) Supervised persons may rely on the definition of "client" in § 275.203(b)(3)-1 to identify clients for purposes of paragraph (a)(1) of this section, except that supervised persons need not count clients that are not residents of the United States.

(b) *Place of business.* "Place of business" of an investment adviser representative means:

(1) An office at which the investment adviser representative regularly provides investment advisory services, solicits, meets with, or otherwise communicates with clients; and

(2) Any other location that is held out to the general public as a location at which the investment adviser representative provides investment advisory services, solicits, meets with, or otherwise communicates with clients.

(c) *Principal office and place of business.* "Principal office and place of

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business'' of an investment adviser means the executive office of the investment adviser from which the officers, partners, or managers of the investment adviser direct, control, and coordinate the activities of the investment adviser.

[62 FR 28134, May 22, 1997, as amended at 63 FR 39715, July 24, 1998]

§ 275.203A-4 Investment advisers registered with a State securities commission.

The Commission shall not assert a violation of section 203 of the Act (15 U.S.C. 80b-3) (or any provision of the Act to which an investment adviser becomes subject upon registration under section 203 of the Act (15 U.S.C. 80b-3)) for the failure of an investment adviser registered with the securities commission (or any agency or office performing like functions) in the State in which it has its principal office and place of business to register with the Commission if the investment adviser reasonably believes that it does not have assets under management of at least \$30,000,000 and is therefore not required to register with the Commission.

[62 FR 28134, May 22, 1997]

§ 275.203A-5 [Reserved]

§ 275.203A-6 Transition period for Ohio investment advisers.

(a) *Ohio Authority.* Notwithstanding section 203A(b) of the Act (15 U.S.C. 80b-3a(b)), the Ohio Revised Code, sections 1707.01 to 1707.99, is effective with respect to an investment adviser registered with the Commission that, but for having its principal office and place of business in Ohio, would be prohibited from registering with the Commission under section 203A of the Act (15 U.S.C. 80b-3a).

(b) *Withdrawal Required.* Every investment adviser that is registered with the Commission solely because its principal office and place of business is located in Ohio must withdraw from Commission registration by March 30, 2000.

[64 FR 15683, Apr. 1, 1999]

17 CFR Ch. II (4-1-03 Edition)

§ 275.204-1 Amendments to application for registration.

(a) *When amendment is required.* You must amend your Form ADV (17 CFR 279.1):

(1) At least annually, within 90 days of the end of your fiscal year; and

(2) More frequently, if required by the instructions to Form ADV.

(b) *Transition to electronic filing.* (1) If you are an investment adviser registered with the Commission on December 31, 2000, you must amend your Form ADV by electronically filing a completed Part 1A of Form ADV (as amended effective October 10, 2000) with the Investment Adviser Registration Depository (IARD) according to the following schedule:

(i) If your fiscal year ends in December, and

(A) Your SEC registration number is 801-1 through 801-36806, you must file no later than January 31, 2001;

(B) Your SEC registration number is 801-36807 through 801-54145, you must file no later than February 28, 2001;

(C) Your SEC registration number is 801-54146 or higher, you must file no later than March 30, 2001.

(ii) If your fiscal year ends in any month other than December (*i.e.*, January through November), you must file no later than April 30, 2001.

NOTE TO PARAGRAPHS (a) AND (b): Information on how to file with the IARD is available on our website at <<http://www.sec.gov/iard>>.

(2) If you are an investment adviser whose registration application (filed on paper) was pending on January 1, 2001 and became effective after that date, you must amend your Form ADV by electronically filing a completed Part 1A of Form ADV (as amended effective October 10, 2000) with the IARD by April 30, 2001.

(3) If you have received a continuing hardship exemption under § 275.203-3, you must file a completed Part 1A of Form ADV on paper with NASD Regulation, Inc. (NASDR) when you are required to amend your Form ADV by the schedule in paragraph (b)(1) of this section.

(4) If you have filed Part 1A of Form ADV with the IARD under paragraphs (1) or (2) of this section, you must file