

Securities and Exchange Commission

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more than \$2,500; or otherwise significantly limiting the person's investment-related activities.

(c) The information required to be disclosed by paragraph (a) of this section shall be disclosed to clients promptly, and to prospective clients not less than 48 hours prior to entering into any written or oral investment advisory contract, or no later than the time of entering into such contract if the client has the right to terminate the contract without penalty within five business days after entering into the contract.

(d) For purposes of this rule:

(1) *Management person* means a person with power to exercise, directly or indirectly, a controlling influence over the management or policies of an adviser which is a company or to determine the general investment advice given to clients.

(2) *Found* means determined or ascertained by adjudication or consent in a final SRO proceeding, administrative proceeding, or court action.

(3) *Investment-related* means pertaining to securities commodities, banking, insurance, or real estate (including, but not limited to, action as or being associated with a broker, dealer, investment company, investment adviser, government securities broker or dealer, municipal securities dealer, bank, savings and loan association, entity or person required to be registered under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), or fiduciary).

(4) *Involved* means acting or aiding, abetting, causing, counseling, commanding, inducing, conspiring with or failing reasonably to supervise another in doing an act.

(5) *Self-Regulatory Organization* or *SRO* means any national securities or commodities exchange, registered association, or registered clearing agency.

(e) For purposes of calculating the 10-year period during which events are presumed to be material under paragraph (b), the date of a reportable event shall be the date on which the final order, judgment, or decree was entered, or the date on which any rights of appeal from preliminary orders, judgments, or decrees lapsed.

(f) Compliance with paragraph (b) of this rule shall not relieve any invest-

ment adviser from the disclosure obligations of paragraph (a) of the rule; compliance with paragraph (a) of the rule shall not relieve any investment adviser from any other disclosure requirement under the Act, the rules and regulations thereunder, or under any other federal or state law.

NOTE: Registered investment advisers may disclose this information to clients and prospective clients in their "brochure," the written disclosure statement to clients under Rule 204-3 (17 CFR 275.204-3); *Provided*, That the delivery of the brochure satisfies the timing of disclosure requirements described in paragraph (c) of this rule.

[52 FR 36918, Oct. 2, 1987, as amended at 62 FR 28135, May 22, 1997]

§ 275.206(4)-6 Proxy voting.

If you are an investment adviser registered or required to be registered under section 203 of the Act (15 U.S.C. 80b-3), it is a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of section 206(4) of the Act (15 U.S.C. 80b-6(4)), for you to exercise voting authority with respect to client securities, unless you:

(a) Adopt and implement written policies and procedures that are reasonably designed to ensure that you vote client securities in the best interest of clients, which procedures must include how you address material conflicts that may arise between your interests and those of your clients;

(b) Disclose to clients how they may obtain information from you about how you voted with respect to their securities; and

(c) Describe to clients your proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures to the requesting client.

[68 FR 6593, Feb. 7, 2003]

§ 275.222-1 Definitions.

For purposes of section 222 (15 U.S.C. 80b-18a) of the Act:

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

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

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

(b) *Principal place of business.* “Principal place of 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 28135, May 22, 1997]

§ 275.222-2 Definiton of “client” for purposes of the national de minimis standard.

For purposes of section 222(d)(2) of the Act (15 U.S.C. 80b-18a(d)(2)), an investment adviser may rely upon the definition of “client” provided by § 275.203(b)(3)-1.

[62 FR 28136, May 22, 1997]

PART 276—INTERPRETATIVE RELEASES RELATING TO THE INVESTMENT ADVISERS ACT OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

Subject	Release No.	Date	Fed. Reg. Vol. and Page
Opinion of General Counsel relating to section 202(a)(11)(C) of the Investment Advisers Act of 1940.	2	Oct. 28, 1940	11 FR 10996.
Opinion of the General Counsel relating to the use of the name “investment counsel” under section 208(c) of the Investment Advisers Act of 1940.	8	Dec. 12, 1940	Do.
Opinion of Director of Trading and Exchange Division, relating to section 206 of the Investment Advisers Act of 1940, section 17(a) of the Securities Act of 1933, and sections 10(b) and 15(c)(1) of the Securities Exchange Act of 1934.	40	Feb. 5, 1945	11 FR 10997.
Opinion of the General Counsel relating to the use of “hedge clauses” by brokers, dealers, investment advisers, and others.	58	Apr. 10, 1951	16 FR 3387.
Statement of the Commission to clarify the meaning of “beneficial ownership of securities” as relates to beneficial ownership of securities held by family members.	194	Jan. 25, 1966	31 FR 1005.
Statement of the Commission setting the date of May 1, 1966 after which filings must reflect beneficial ownership of securities held by family members.	196	Feb. 14, 1966	31 FR 3175.
Statement of the Commission describing nature of examination required to be made of all funds and securities held by an investment adviser and the content of related accountant’s certificate.	201	June 1, 1966	31 FR 7821.
Publication of the Commission’s procedure to be followed if requests are to be met for no action or interpretative letters and responses thereto to be made available for public use.	281	Jan. 25, 1971	36 FR 2600.
Commission’s statement of factors to be considered in connection with investment company advisory contracts containing incentive arrangements.	315	Apr. 19, 1972	37 FR 7690.
Applicability of Commission’s policy statement on the future structure of securities markets to selection of brokers and payment of commissions by institutional managers.	318	May 18, 1972	37 FR 9988.
Commission’s decisions on advisory committee recommendations regarding commencement of enforcement proceedings and termination of staff investigations.	336	Mar. 1, 1973	38 FR 5457.
Commission’s statement on obligations of underwriters with respect to discretionary accounts.	377	June 29, 1973	38 FR 17201.
Applicability of investment advisers act to certain publications	563	Jan. 10, 1977	42 FR 2953; 42 FR 8140.
Contingent advisory compensation arrangements	721	May 16, 1980	45 FR 34876.
Applicability of investment advisers act to financial planners, pension consultants, and other persons who provide investment advisory services as an integral component of other financially related services.	770	Aug. 13, 1981	46 FR 41771.
Statement of position of Commission’s Division of Investment Management ..	969	Apr. 30, 1985	50 FR 19341.
Statement of staff interpretive position regarding certain rules and forms; uniform registration, disclosure, and reporting requirements.	1000	Dec. 3, 1985	50 FR 49835.
Applicability of the investment Advisers Act to financial planners, pension consultants, and other persons who provide investment advisory services as a component of other financial services.	1092	Oct. 8, 1987	52 FR 38400.
Registration of Successors to Broker-Dealers and Investment Advisors	1357	Jan. 4, 1993	58 FR 11.
Use of electronic media for delivery purposes	1562	May 9, 1996	61 FR 24651.
Statement of the Commission Regarding Use of Internet Web Sites to Offer Securities, Solicit Securities Transactions or Advertise Investment Services Offshore.	1710	Mar. 23, 1998	63 FR 14814