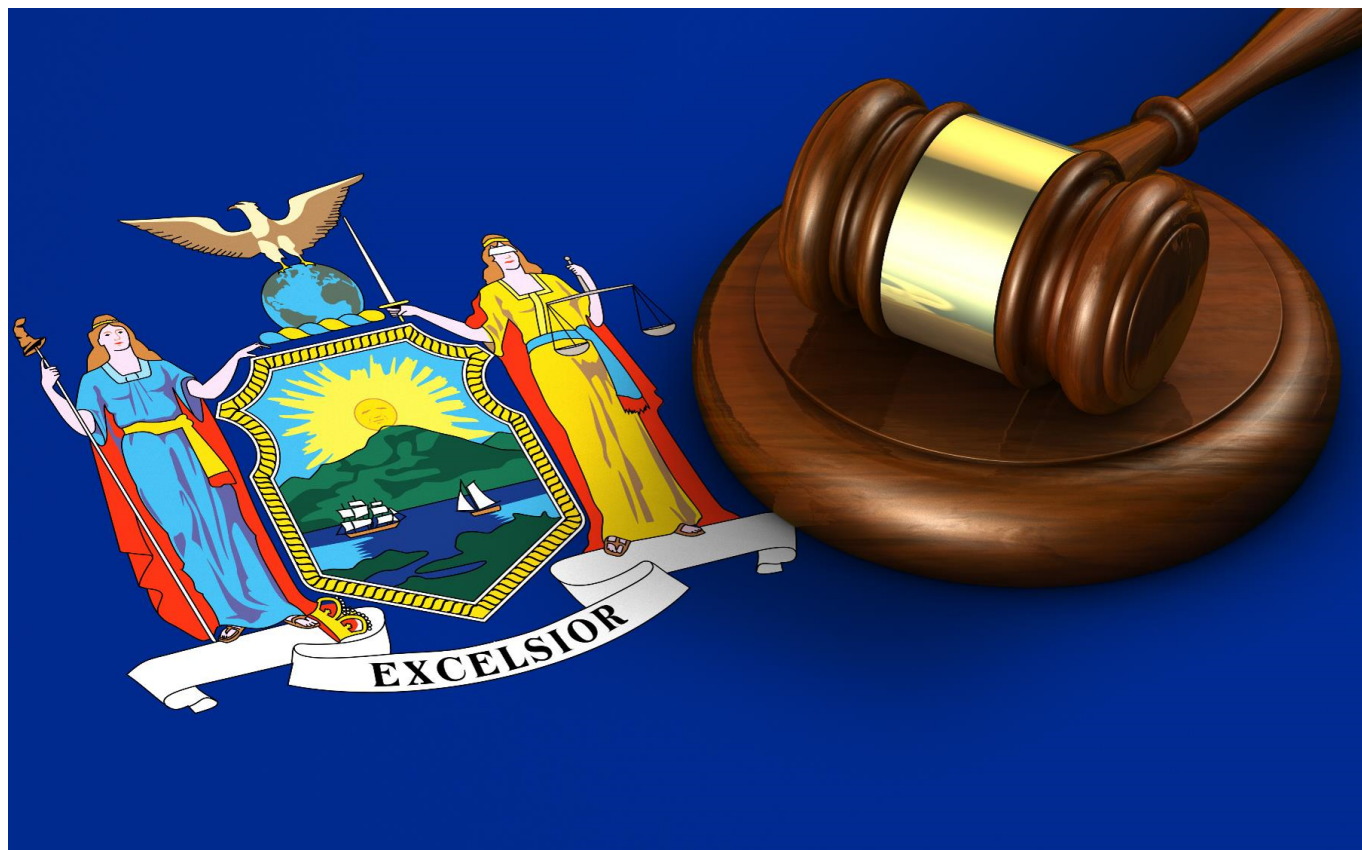


# Regulatory Update: SEC and State Advisors with NY IARs Must Register Their Representatives in 2021

December 16, 2020



Effective February 1, 2021, New York will require Investment Advisor Representatives (IARs) to register via Form U4 and meet exam requirements unless they are qualified for an exam waiver. All IAR registrations are also subject to an initial and annual \$200 registration fee. This impacts both state and SEC investment advisors that conduct investment advisory business within or from the state of New York. In general, an IAR is a person who provides investment advice on behalf of a Registered Investment Advisor.

IARs currently operating under existing rules (e.g., IARs affiliated with state-registered advisors who have filed a NY-IAQ) may continue to do so until December 2, 2021, provided they **apply for registration with NY by August 31, 2021**. IARs will also be required to meet the Series 65 (or a combination of the Series 7 and 66) exam requirements. The examination requirements do not apply to individuals who hold certain professional designations such as the CFP, CFA, ChFC, among others.

The Rule provides for exam waivers for IARs continuously registered in another jurisdiction for at least two years before February 2, 2021.

The Rule also provides for a special waiver for IARs with a place of business in New York who acted in such capacity continuously and permissibly for at least two years prior to February 1, 2021. The special waiver does not apply to applications submitted after August 31, 2021, individuals with two-year lapses in employment with an investment advisor in the prior four-year period preceding the application, or solicitors. Neither waiver applies to individuals who have been the subject of any regulatory or civil action, proceeding or arbitration in the preceding ten years reportable on Form U4 or who have been notified that they are currently the subject of a regulatory or law enforcement investigation related to investment related activities.

[This is a link to guidance published by New York's Office of the Attorney General summarizing the new requirements.](#)

Please contact your Foreside Consultant if you have any questions regarding how New York's new Rule impacts your firm. Foreside can assist you with determining your filing obligations and preparing your Form U4 filings and waiver requests. If your firm's IARs are required to take an exam in compliance with NY's new Rule, Foreside has partnered with Solomon Exam Prep to offer its clients discounts on exam prep study packages. Click [here](#) for more information.

[Home](#)