

RULE
Office of the Governor
Office of Financial Institutions

Broker-Dealer and Investment Adviser Recordkeeping Requirements (LAC 10:XIII.Chapter 17)

In accordance with the Louisiana Securities Law, R.S. 51:701 et seq., and particularly R.S. 51:703(I), as amended, and the Administrative Procedure Act, R.S. 49:950 et seq., the commissioner of financial institutions hereby adopts LAC 10:XIII.Chapter 17, a Rule to place a requirement on broker-dealers and investment advisers registered or notice filed with the commissioner to maintain such books and records as set out in §§1701 and 1703 below. The final Rule shall become effective 120 days from publication.

Title 10
FINANCIAL INSTITUTIONS, CONSUMER CREDIT,
INVESTMENT SECURITIES AND UCC

Part XIII. Investment Securities

Subpart 1. Securities

Chapter 17. Dealer and Investment Adviser Recordkeeping Requirements

§1701. Broker-Dealer Requirements

- A. Unless otherwise provided by order of the Securities and Exchange Commission (hereinafter "SEC"), each broker-dealer registered or required to be registered pursuant to R.S. 51:703(A)(1) shall make, maintain and preserve books and records in compliance with SEC Rules 17a-3 (17CFR 240.17a-3), 17a-4 (17 CFR 240.17a-4), and 15c2-11 (17 CFR 240.15c2-11), which are adopted and incorporated herein by reference.
- B. To the extent that the SEC promulgates changes to the above referenced rules, broker-dealers in compliance with such rules as amended shall not be subject to enforcement action by the commissioner for violation of this rule to the extent that the violation results solely from the brokerdealer's compliance with the amended rule.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:703(I).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 37:1611 (June 2011), effective October 19, 2011, repromulgated LR 37:2149 (July 2011).

§1703. Investment Adviser Requirements

- A. Except as provided in Subsection C of this Section, unless otherwise provided by order of the SEC, each investment adviser registered or required to be registered pursuant to R.S. 51:703(A)(2) or notice filed pursuant to R.S. 51:703(D)(2) shall make, maintain and preserve books and records in compliance with SEC rule 204-2 (17 CFR 275.204-2), which is adopted and incorporated by reference, notwithstanding the fact that such investment adviser is not registered or required to be registered under section 203 of the Investment Advisers Act of 1940.
- B. To the extent that the SEC promulgates changes to the above-referenced rules, investment advisers in compliance with such rules as amended shall not be subject to enforcement action by the commissioner for violation of this rule to the extent that the violation results solely from the investment adviser's compliance with the amended rule.
- C. Every investment adviser that has its principal place of business in a state other than this state shall be exempt from the requirements of Subsection A of this Section, provided the investment adviser is licensed or registered in such state and is in compliance with such state's recordkeeping requirements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:703(I).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 37:1611 (June 2011), effective October 19, 2011, repromulgated LR 37:2149 (July 2011).

§1705. Cessation of Business

- A. Before ceasing to conduct or discontinuing business, each broker-dealer and investment adviser shall arrange for and be responsible for the preservation of the books and records required to be maintained and preserved by this Rule for the remainder of the period specified.
- B. Each broker-dealer and investment adviser shall notify the commissioner in writing of the exact address where such books and records will be maintained during such period. The filing with the Central Registration Depository of a Form BD-W by a broker-dealer or a Form ADV-W by an investment adviser shall satisfy this notice requirement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:703(I).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Office of Financial Institutions, LR 37:1612 (June 2011), effective October 19, 2011, repromulgated LR 37:2149 (July 2011).

John Ducrest
Commissioner