

Frequently Asked Questions - Investment Adviser Firms

1. Does my firm need to be registered?

In most cases, if you accept a fee or commission for giving investment related advice, you must be registered.

2. May I file an electronic Form ADV through the IARD system?

South Carolina has approved electronic filing with the IARD. All non-SEC qualified firms may either file registration and renewals through the IARD system or directly with the Securities Division. SEC firms file through the IARD System.

3. Does your state have a de minimis rule?

If a firm or representative has a place of business in South Carolina, the de minimis rule does not apply.

If the firm or representative is from another state and has no place of business in South Carolina, the firm can have up to 5 clients in this state without registration.

4. What is required for my firm to become registered in South Carolina?

See [Checklist](#). If questions remain, please call (803) 734-9916.

5. What is the registration fee for my firm?

\$210.00

6. Do I need a surety bond? (See [Checklist](#))

SEC registered firms do not need a bond.

State registered firms that have custody of or discretionary authority over client funds need to either meet net capital requirements or post the applicable bond. No bond is required of state registered firms that do not have custody of or discretionary authority over client funds.

7. How do I obtain a surety bond?

Complete and return the [Bond Form](#) to the Securities Division.

8. If I have a surety bond, can I cancel the bond?

Yes, you can cancel it, but the statute of limitations is 3 years and liability for prior acts remains for that period of time.

9. What kind of financial report do we need?

Balance sheet and income statement prepared in accordance with generally accepted accounting principles, either audited or certified by an officer to be true and complete. The financial information should be as of a date within forty-five days of the application.

10. What kind of contracts do we need? (referred to in [Checklist](#))

We need samples of each contract you use with your clients.