



State of California
Business, Consumer Services, and Housing Agency
DEPARTMENT OF BUSINESS OVERSIGHT
Ensuring a Fair and Secure Financial Services Marketplace for all Californians

www.dbo.ca.gov

Gavin Newsom
Governor

Manuel P. Alvarez
Commissioner of Business Oversight

DATE: March 30, 2020

**Guidance to Broker-Dealers and
Investment Advisers**

On March 4, 2020, Governor Gavin Newsom issued an emergency proclamation regarding the COVID-19 outbreak. Given the state of emergency, the Department of Business Oversight (“Department”), pursuant to its authority under Financial Code section 334 and Corporations Code section 25610, issues this guidance to broker-dealers and investment advisers licensed under the Corporate Securities Law of 1968.

I. 45-Day Extension to File Notice of Changes, Form PF, Annual Report, and Interim Report

Effective immediately, the following filing due dates are extended to **45 days** after the original due date:

- Notice of Changes by Broker-Dealers and Investment Advisers¹ (10 CCR § 260.241.4(a)-(f))
- Form PF² for private fund advisers (10 CCR § 260.204.9(b)(2)(A)-(B))
- Annual Report³ (10 CCR § 260.241.2(a)(4))
- Interim Report⁴ (10 CCR § 260.241.2(d)(1)-(3))

This Guidance only changes the due date for the aforementioned filing requirements. It does not alter the method of submitting the filing requirements. Licensees should submit these filing requirements under existing procedures. For example, licensees filing Form ADV Amendments should continue submitting the filing through Investment Adviser Registration Depository (IARD).

¹ Please be advised that this change may affect filing due dates for the Form BD, Form ADV, Form ADV Annual Updating Amendment, Form U4 (Employment for Individuals), and Form U5 (Termination for Individuals).

² Form PF is a part of the Form ADV Amendment filings to Part 1A for Exempt Reporting Advisers.

³ Annual Reports are otherwise due within 90 days of the investment adviser’s or broker-dealer’s fiscal year end.

⁴ Interim Reports are otherwise due within 15 days after a triggering event enumerated in Section 260.241.2(d)(1)-(3).

II. Temporary Relief from FINRA Rule 1010(c)'s Manual Signature Requirement for Form U4 Filings

Effective immediately, licensees may electronically file an initial or transfer Form U4 without obtaining individual applicant's manual (wet) signature if the firm:

- provides the applicant with a copy of the completed Form U4 prior to filing;
- obtains the applicant's written acknowledgment (which may be electronic) prior to filing that the information has been received and reviewed, and that the applicant agrees that the content is accurate and complete;
- retains the written acknowledgment in accordance with SEA Rule 17a-4(e)(1)⁵ and makes it available promptly upon regulatory request; and
- obtains the applicant's manual signature as soon as practicable.

III. Licensees' Retention of a Copy of this Guidance in their Records

Licensees who rely on any provision of this Guidance should keep a copy of the Guidance in their records to document their reliance on it.

IV. Essential Services

Current "shelter-in-place" or "stay-in-place" orders issued have recognized that financial institutions perform an "essential service" that is not subject to the "shelter-in-place" or "stay-in-place" order. Broker-dealers and investment advisers should exercise discretion in determining which of their services and transactions are "essential services" for the purposes of orders issued by local governments.

V. Additional Resources

For additional information regarding regulatory changes in response to COVID-19, licensees may visit the following websites:

- Department of Business Oversight – www.dbo.ca.gov
- U.S. Securities and Exchange Commission (SEC) – www.sec.gov
- Financial Industry Regulatory Authority (FINRA) – www.finra.org

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These temporary accommodations do not change any existing laws or regulations and are subject to change or withdrawal.

⁵ 17 C.F.R. § 240.17a-4(e)(1).