



Attention: Broker Dealers and Investment Advisers  
Re: Registration or Filing Relief  
Date: March 30, 2020

## **Regulatory Guidance 20-08**

**Issued March 30, 2020**

### **Authority.**

On March 13, 2020, Governor Tim Walz signed Executive Order 20-01, declaring a peacetime emergency related to COVID-19.

On March 28, 2020, Governor Tim Walz signed House File 4531 authorizing Commissioner of Commerce Steve Kelley (“Commissioner”) to delay, stay, or waive the following licensing, investigative and other deadlines related to the duties and responsibilities of the Commissioner and regulated entities required to effectively continue the business of the Minnesota Department of Commerce and to assist regulated entities during the current peacetime emergency.

In light of the challenges related to the COVID-19 virus, the Commissioner of Commerce has issued an Order granting temporary extensions from registration and filing requirements for regulated industries.

### **Guidance.**

Given the disruptions caused by the COVID-19 pandemic and dislocations affecting broker-dealers, state registered investment advisers, federal covered investment advisers and their registered agents or representatives (collectively, “financial professionals”), the Commissioner is adopting Regulatory Guidance 20-08 pursuant to Minnesota Statutes § 80A.61(e) and Minnesota Rule 2876 to temporarily grant the relief below.

#### **I. Registration or Filing Relief**

The Commissioner understands that certain financial professionals who are not registered or notice filed with the Commissioner have been displaced from their ordinary business locations and are currently engaging, or may desire to engage, in activities that would require them to register or file with the Commissioner.

- A. Such displaced financial professionals are temporarily exempted from the registration and filing requirements of the Minnesota Securities Act § 80A.56(a), 80A.57(a), 80A.58(a), 80A.60(c) and related regulations in the following circumstances:

1. The financial professional is working from a location outside of the jurisdiction in which he/she/they is currently registered as a response to the COVID-19 outbreak;
  2. The financial professional was properly registered and/or notice filed with all required securities regulators and self-regulatory organizations as of March 1, 2020;
  3. The financial professional is not currently the subject of an ongoing disciplinary or enforcement proceeding in any jurisdiction and is not in violation of the Minnesota Securities Act and related regulations, except for those provisions included within the scope of this Emergency Order; and
  4. The financial professional limits activities to existing customers or clients, and does not solicit new customers or clients in or from Minnesota.
- B. A financial professional who meets the conditions in Section I.A. above may engage in the following activities without registering or filing with the Commissioner:
1. Conduct activities for which registration or filing with the Commissioner as a financial professional would be required, but only with, or on behalf of, customers or clients with whom the financial professional had an existing customer or client relationship on March 1, 2020;
  2. Open and maintain a temporary branch office or office of supervisory jurisdiction in Minnesota that was not in operation on March 1, 2020, provided that the financial professional informs the Commissioner by electronic mail at [securities.commere@state.mn.us](mailto:securities.commere@state.mn.us) of the (a) physical address of the office, (b) the names and registration statuses of all persons working in the office and (c) a primary point of contact for the office, with full contact information.
  3. As a consequence of the relief provided in this Section I, any firm that opens a temporary branch office in accordance with Section I.B.2. above is also relieved from the requirement to maintain updated Form U4 information regarding the office of employment address for registered persons who temporarily relocate due to the COVID-19 outbreak.

• **II. Relief from Requirement to Obtain Physical Signatures on Forms U4**

The Commissioner understands that broker-dealers, state registered investment advisers and federal covered investment advisers may not be able to obtain physical signatures on Forms U4 in a timely manner as required by FINRA rules<sup>1</sup> and similar provisions of the Minnesota Securities Act and related regulations. Such firms may submit Forms U4 electronically, without first obtaining physical signatures from individual agents or representatives, provided that the firm (a) provides the individual with a copy

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<sup>1</sup> See FINRA, *Frequently Asked Questions Related to Regulatory Relief Due to the Coronavirus Pandemic* (Mar 18, 2020), available at <https://www.finra.org/rules-guidance/guidance/faqs/coronavirus>.

of the completed Form U4 prior to filing, (b) obtains the individual's written agreement prior to filing that the form's content is accurate and complete, (c) retains the written acknowledgement in accordance with Minnesota's laws and regulations and (d) obtains the applicant's physical signature as soon as practicable.

Additional guidance on COVID-19-related regulations in other jurisdictions is available on the North American Securities Administrators Association website at the following link: [www.nasaa.org/industry-resources/covid-19-updates/](http://www.nasaa.org/industry-resources/covid-19-updates/).

### **III. Relief from Annual Update Filings and Document Delivery Requirements by State-Registered Investment Advisers**

The Commissioner understands that state registered investment advisers may have difficulty updating their Forms ADV in a timely manner or meeting their Form ADV delivery requirements. Accordingly, an investment adviser registered with the Commissioner may perform any of the Form ADV filing, updating and customer delivery requirements set forth by the Minnesota Securities Act and related regulations up to 45 days after such action is due to be performed. Relief under this Section III is not available to any person not registered with the Commissioner as an investment adviser, including any financial professional not registered in reliance upon Section I of this Emergency Order.

### **IV. Coordinating Information and Enforcement**

Financial professionals who rely on any provision of Regulatory Guidance 20-09 shall keep a copy of this in their records to document their reliance on it. Any activities that do not meet the conditions outlined above may be treated by the Commissioner as non-exempt and may constitute unregistered securities activity subject to state enforcement action.

#### **Questions.**

If you have specific questions, please email [securities.commerce@state.mn.us](mailto:securities.commerce@state.mn.us) or call 651-539-1638.

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