

2018 Regular Session

SENATE BILL NO. 416

BY SENATOR WHITE

FINANCIAL PLANNING. Provides relative to the registration of investment adviser representatives. (1/1/19)

1 AN ACT

2 To enact R.S. 51:703(D)(5), relative to investment adviser representatives; to provide for  
3 criminal background checks; to provide for exceptions; to provide for terms,  
4 conditions, and procedures; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 51:703(D)(5) is hereby enacted to read as follows:

7 §703. Registration of dealers, salesmen, and investment advisers and adviser  
8 representatives; surety bonds; records; disclosures

9 \* \* \*

10 D. \* \* \*

11 **(5)(a) Pursuant to the provisions of R.S. 6:121.2, the commissioner has**  
12 **the authority to request and obtain criminal history record information from**  
13 **the Federal Bureau of Investigations, Louisiana Bureau of Criminal**  
14 **Identification and Information, and any other governmental agency or entity.**

15 **(b) As directed by the commissioner, each applicant for registration as**  
16 **an investment adviser representative shall submit fingerprints for a criminal**  
17 **background check. The fingerprints may be submitted through any licensing**

1       system authorized by the commission pursuant to the provisions of R.S. 6:121.8.

2               (c) The costs of fingerprint processing shall be borne by the person  
3       subject to the criminal background check.

4               (d) The provisions of this Paragraph shall not apply to either of the  
5       following:

6               (i) A person who has submitted an application for registration in  
7       Louisiana with a Financial Industry Regulatory Authority (FINRA) member  
8       firm, provided fingerprints were submitted and processed by FINRA on behalf  
9       of the member firm with which such associated person is pending registration,  
10       pursuant to the provisions of the United States Securities and Exchange  
11       Commission rule 17 C.F.R. §240.17f-2, as amended.

12              (ii) A person who is registered with the commissioner as an investment  
13       adviser representative on January 1, 2019, unless such person subsequently  
14       applies for registration with a different investment adviser.

15                               \*       \*       \*

16       Section 2. This Act shall become effective on January 1, 2019.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Michelle Ridge.

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SB 416 Original                               DIGEST                               2018 Regular Session                               White

Present law provides that the commissioner has the authority to obtain state and federal criminal history record information on any person listed on an application, registration, or renewal filed with the office of financial institutions.

Proposed law provides that as directed by the commissioner, each applicant for registration as an investment adviser representative shall submit fingerprints for a criminal background check. Such fingerprints may be submitted through any licensing system authorized by the commission.

Proposed law provides that the costs of fingerprint processing shall be borne by the person subject to the criminal history background check.

Proposed law does not apply to the following persons:

- (1) A person who has submitted an application for registration in Louisiana with a Financial Industry Regulatory Authority (FINRA) member firm, provided fingerprints were submitted and processed by FINRA on behalf of the member firm with which such associated person is pending registration, pursuant to the provisions of a rule by the United States Securities and Exchange Commission.

- (2) A person who is registered with the commissioner as an investment adviser representative on January 1, 2019, unless such person subsequently applies for registration with a different investment adviser.

Effective January 1, 2019.

(Adds R.S. 51:703(D)(5))