**Rule 203A-1 – Eligibility for Commission Registration**

(a) Threshold Increased to $30 Million of Assets Under Management.–

No investment adviser that is registered or required to be registered as an investment adviser in the State in which it maintains its principal office and place of business shall register with the Commission under section 203 of the Act [15 U.S.C. 80b-3], unless the investment adviser:

(1) Has assets under management of not less than $30,000,000, as reported on the Form ADV [17 CFR 279.1] of the investment adviser; or

(2) Is an investment adviser to an investment company registered under the Investment Company Act of 1940 [15 U.S.C. 80a-1 et seq.].

(b) Exemption for Investment Advisers Having Between $25 and $30 Million of Assets Under Management.–

Notwithstanding paragraph (a) of this section, an investment adviser that is registered or required to be registered as an investment adviser in the State in which it maintains its principal office and place of business may register with the Commission if the investment adviser has assets under management of not less than $25,000,000 but not more than $30,000,000, as reported on the Form ADV [17 CFR 279.1] of the investment adviser. This paragraph (b) shall not apply to an investment adviser:

(1) To an investment company registered under the Investment Company Act of 1940 [15 U.S.C. 80a-1 et seq.]; or

(2) That is exempted by §275.203A-2 from the prohibition in section 203A(a) of the Act [15 U.S.C. 80b-3a(a)] on registering with the Commission.

Note to paragraphs (a) and (b):
Paragraphs (a) and (b) together make registration with the Commission optional for certain investment advisers that have between $25 and $30 million of assets under management.

(c) Grace Period for Transition From Commission to State Registration.–

An investment adviser registered with the Commission, upon filing an amendment to Form ADV [17 CFR 279.1] that indicates that it would be prohibited by section 203A(a) of the Act [15 U.S.C. 80b-3a(a)] from registering with the Commission, shall be subject to having its registration cancelled pursuant to section 203(h) of the Act [15 U.S.C. 80b-3(h)], Provided, That the Commission shall not commence any cancellation proceeding on the basis of the amendment until the expiration of a period of not less than 90 days from the date the investment adviser was required by §275.204-1(a) to file the amendment.

(d) Transition From State to Commission Registration.–

An investment adviser that is registered with a securities commissioner (or any agency or officer performing like functions) of any State that requires such investment adviser annually to report to it the amount of assets under management pursuant to a form or rule substantially similar to Schedule I to Form ADV [17 CFR 279.1] must register with the Commission within 90 days after the date on which the investment adviser is required to report assets under management of $30,000,000 or more to the state securities commissioner, unless, at the time of registration with the Commission, the investment adviser is prohibited by section 203A(a) of the Act [15 U.S.C. 80b-3a(a)] from registering with the Commission.

Notes to paragraph (d):

1. An investment adviser may be prohibited by section 203A(a) from registering with the Commission if its assets under management have decreased to an amount less than $25,000,000 during the 90-day period.

2. An investment adviser not eligible to rely on paragraph (d) must register with the Commission promptly when no longer prohibited by section 203A(a) from registering with the Commission.