**“ADV Part 2 – Potential SEC Amendments 2-2008**

**From:** FundLaw@yahoogroups.com [mailto:FundLaw@yahoogroups.com] **On Behalf Of** Baker, John
**Sent:** Wednesday, February 06, 2008 7:04 PM
**To:** FundLaw@yahoogroups.com
**Subject:** [FundLaw] SEC To Consider Proposing Amendments to Form ADV Part 2

The Securities and Exchange Commission has announced that it will consider proposing amendments to Part 2 of Form ADV at an open meeting scheduled for 10 a.m. on Wednesday, February 13, 2008. Form ADV is the form that investment advisers use to register with the SEC, and Part 2 (currently still Part II) provides disclosures to clients and prospective clients. The proposed amendments, if adopted, would require investment advisers to provide clients with narrative brochures containing plain English descriptions of the advisers' businesses, services, and conflicts of interest. The proposal also would require advisers to electronically file their brochures with the SEC. The brochures would be available to the public through the SEC's web site, as Part 1 is currently. The SEC also will consider proposing amendments to its rules governing registration and reporting by foreign private issuers.

The SEC originally proposed to amend Form ADV and require electronic filing in 2000. The electronic filing requirement and the amendments to Part 1 were adopted that year, but the amendments to Part 2 were more controversial and the SEC deferred adoption until it had had more time to review the comments. Since then, the SEC updating and filing requirements for Part II have not applied, although advisers are required to update the Part II information provided to clients if necessary to avoid materially misleading them under the Advisers Act's antifraud rules. Now that the SEC has had an opportunity to read the comments, it apparently plans a somewhat different approach to Part 2. The meeting notice does not, however, give any indication how it will be different from the 2000 proposal, which also was to be a plain English narrative.

The meeting notice is available online at
<http://www.sec.gov/news/openmeetings/2008/ssamtg021308.htm>

For my posts on the 2000 proposal and adoption, see
<http://groups.yahoo.com/group/FundLaw/message/161>
and
<http://groups.yahoo.com/group/FundLaw/message/303>

John M. Baker <JMB@Stradley.com>
Stradley Ronon Stevens & Young, LLP <http://www.stradley.com>
1220 19th Street NW, Suite 600
Washington DC 20036
202.419.8413
202.822.0140 fax
FundLaw Listowner <http://groups.yahoo.com/group/fundlaw>