**Texas IA Compensation Limits**

**Texas Administrative Code Section 116 – Investment Advisers and Investment Adviser Representatives**

**RULE §116.13 – Advisory Fee Requirements**

1. Any registered investment adviser who wishes to charge 3.0% or greater of the assets under management must disclose that such fee is in excess of the industry norm and that similar advisory services can be obtained for less.
2. Any registered investment adviser who wishes to charge a fee based on a share of the capital gains or the capital appreciation of the funds or any portion of the funds of a client must comply with SEC Rule 205-3 (17 Code of Federal Regulations §275.205-3), which permits the use of such fee if the client is a "qualified client" as defined therein.

[http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p\_dir=&p\_rloc=&p\_tloc=&p\_ploc=&pg=1&p\_tac=&ti=7&pt=7&ch=116&rl=13](http://info.sos.state.tx.us/pls/pub/readtac%24ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=7&pt=7&ch=116&rl=13)