

191—50.47(502) Business continuity and succession planning for investment advisers.

50.47(1) On and after July 1, 2017, every investment adviser registered in Iowa shall make and maintain records, pursuant to Iowa Code section 502.411(3) “a,” of the establishment, implementation and maintenance of a written business continuity and succession plan. The business continuity and succession plan shall be created and implemented in a manner consistent with the NASAA Guidance on Business Continuity and Succession Planning for State-Registered Investment Advisers, which is available on the Iowa insurance division’s website, iid.iowa.gov. In developing the procedures for the business continuity and succession plan, the investment adviser shall consider, among other things, the size of the firm, the types of services provided and the number of locations of the investment adviser. The business continuity and succession plan shall provide for, at a minimum, all of the following:

- a. The protection, backup, and recovery of books and records;
- b. Alternate means of communications with customers, key personnel, employees, vendors, service providers (including third-party custodians of securities) and regulators, that will allow the communication of certain events, including, but not limited to, providing notice of a significant business interruption or the death or unavailability of key personnel or other disruptions or cessation of business activities;
- c. Office relocation in the event of temporary or permanent loss of a principal place of business;
- d. Assignment of duties to qualified responsible persons in the event of the death or unavailability of key personnel; and
- e. Other means of minimizing service disruptions and client harm that could result from a sudden significant business interruption.

50.47(2) Every investment adviser registered in Iowa shall annually review the investment adviser’s written business continuity and succession plan and, if it has been changed since it was submitted, or if it was not previously submitted, shall file it for examination by the administrator, pursuant to Iowa Code section 502.411(4). The administrator shall review an investment adviser’s written business continuity and succession plan to determine whether it is consistent with the NASAA Guidance on Business Continuity and Succession Planning for State-Registered Investment Advisers and whether it takes into account the considerations listed in subrule 50.47(1). The administrator may request the investment adviser to modify the filed business continuity and succession plan according to the administrator’s suggestions. After the initial filing, the investment adviser’s filing of any change shall identify any substantive amendment to the business continuity and succession plan with the registration renewal following the amendment. The administrator may request from the investment adviser at any time information regarding the business continuity and succession plan made since the last filing of the plan.

50.47(3) An investment adviser registered in Iowa shall be deemed in compliance with this rule if the investment adviser can demonstrate compliance with SEC rules or other law related to the investment adviser’s adoption and implementation of a written business continuity and succession plan.

This rule is intended to implement Iowa Code chapter 502.

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