

808 KAR 10:020. Capital, records and reporting requirements of broker-dealers.

RELATES TO: KRS 292.330, 292.460, 15 U.S.C. 78o(h)

STATUTORY AUTHORITY: KRS 292.500(3), 15 U.S.C. 78o(h)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 292.500(3) authorizes the executive director to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 292. 15 USC 78o(h) prohibits a state from establishing capital, custody, margin, financial responsibility, making and keeping records, bonding, or financial or operational reporting requirements for a broker, dealer, municipal dealer, government security broker, or government security dealer that differs from, or are in addition to, the federal requirements. This administrative regulation establishes the state requirements for a person registered pursuant to the federal requirements established in 15 USC 78o.

Section 1. A broker-dealer, municipal security dealer, government security broker, or government security dealer shall:

(1) Be deemed to have complied with the requirements established in KRS 292.330 relating to capital, custody, margin, financial responsibility, making and keeping records, bonding, or financial or operational reporting if:

(a) The person is:

1. Registered with the United States Securities and Exchange Commission pursuant to 15 USC 78o; and
2. In compliance with the rules and regulations enacted by the United States Securities and Exchange Commission pursuant thereto;

(b) A copy of the information kept or provided to the United States Securities and Exchange Commission is made available or provided to the office as required by the executive director; and

(2) Comply with a reasonable request made by the executive director or a designated employee of the office for the assembly and production of information required to conduct an examination pursuant to KRS 292.330 or an investigation pursuant to KRS 292.460.

(SR 330(5)-1, 2, 3, 4, 5, 6, 7; 1 Ky.R. 1092; eff. 6-11-75; Am. 11 Ky.R. 1904; eff. 7-9-85; 24 Ky.R. 2173; 25 Ky.R. 84; eff. 6-25-98; Crt eff. 2-27-2020.)