

RULE IMPACT STATEMENT OAC 660:11

Pursuant to the Administrative Procedures Act, Section 303.D of Title 75 of the Oklahoma Statutes, the Oklahoma Department of Securities (“ODS”) hereby submits the following Rule Impact Statement for PERMANENT rule proposals for OAC Title 660, Department of Securities, Chapter 11, Oklahoma Uniform Securities Act of 2004.

Brief Description of the Purpose of the Proposed Rules and Rule Amendments:

The proposed rules and rule amendments provide needed exemptions from issuer agent and investment adviser registration, conform requirements for similar registrant categories, provide assistance for military persons and their spouses pursuant to SB1863, conform broker-dealer regulations to a model rule and to federal law, conform investment adviser regulations relating to custody and disclosure to model rules, correct statutory cites, clarify changing regulatory procedure, designate an additional securities manual for exemption purposes, and clarify exemption notice filing requirements in light of changes in federal law.

Description of the classes of persons who most likely will be affected by the rule proposals, including classes that will bear the cost of the rule proposals, and any information on cost impacts received by the agency from any private or public entities:

Two proposed new rules are designed to assist military persons and their spouses pursuant to SB1863 and possibly provide them cost savings. The amendment designating an additional securities manual for exemption purposes may facilitate trading in certain securities and provide more efficient markets. Persons subject to ODS regulation and staff members might experience less stress in compliance with securities laws. The Administrator does not anticipate any other significant impact as a result of the rule proposals.

Description of the classes of persons who will benefit from the rule proposals:

Military persons and their spouses might experience a lesser burden in obtaining and maintaining employment in the securities business. Buyers and sellers of the securities of certain issuers may experience greater liquidity. Certain small investment advisers will no longer be required to file financial statements. Persons subject to ODS regulation and staff members may benefit from the rules and the amendments due to more precise information and greater clarification to aid in compliance.

Description of the probable economic impact of the rule proposals upon affected classes of persons or political subdivisions, including a listing for all fee changes and, whenever possible, separate justification for each fee change:

Military persons and their spouses may experience a reduced economic impact. No significant economic impact is expected on any other affected classes of persons or political subdivisions as a result of the proposed new rules and amendments. The proposed rules and rule amendments do not change or create any fees.

The probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the rule proposals, the source of revenue to be used for implementation and enforcement of the rule proposals, and any anticipated effects on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency:

No significant amount of additional revenue will be needed for the implementation or enforcement of the proposed rules and rule amendments. The changes likely will increase efficiency of agency personnel due to greater clarity in compliance requirements for regulated persons.

A determination of whether implementation of the rule proposals will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rules:

Implementation of the proposed rules and rule amendments is not anticipated to have an economic impact on any political subdivisions or require the cooperation of political subdivisions in implementing or enforcing the proposed rules or rule amendments.

A determination of whether implementation of the rule proposals may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act:

No known adverse economic impact on any small business is expected as a result of the proposed rules and rule amendments.

An explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the rule proposals:

The Department's staff does not anticipate any increased costs as a result of the rule proposals. Staff is unaware of any less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rules and rule amendments.

A determination of the effect of the rule proposals on the public health, safety and environment and, if the rule proposals are designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the rule proposals will reduce the risk:

The staff of the Department is unaware of any effect the proposed rules and amendments would have on the public health, safety and environment.

A determination of any detrimental effect on the public health, safety and environment if the rule proposals are not implemented:

The staff of the Department is unaware of any effect on the public health, safety and environment that would result if the proposed rules and amendments are not implemented.

This rule impact statement was prepared on February 15, 2018.