

**CHAPTER 47A  
BUREAU OF SECURITIES**

**Authority**

N.J.S.A. 49:3-47 et seq., specifically 49:3-67(a).

**Source and Effective Date**

R.2003 d.154, effective March 17, 2003.  
See: 34 N.J.R. 3691(a), 35 N.J.R. 1563(b).

**Chapter Expiration Date**

Chapter 47A, Bureau of Securities, expires on March 17, 2008.

**Chapter Historical Note**

Rules of the Bureau of Securities were originally filed and became effective as N.J.A.C. 13:13 on July 29, 1969. N.J.A.C. 13:13 was recodified as 13:47A when the Bureau of Securities became part of the Division of Consumer Affairs. Subchapter 25, Corporation Takeover Bid Disclosure Law, was adopted as R.1978 d.279, effective August 14, 1978. See: 10 N.J.R. 119(b), 10 N.J.R. 405(a). Pursuant to Executive Order No. 66(1978), Subchapter 25, Corporation Takeover Bid Disclosure Law, expired on August 14, 1983.

Pursuant to Executive Order No. 66(1978), Chapter 47A, Bureau of Securities Rules, expired on September 6, 1987.

Chapter 47A, Bureau of Securities, was adopted as R.1987 d.390, effective October 5, 1987. See: 19 N.J.R. 1417(a), 19 N.J.R. 1824(a). Subchapter 9, Intrastate Offerings, and Subchapters 15 through 20, concerning real estate syndications, were allowed to lapse and were not adopted as a part of R.1987 d.390.

Subchapter 10, Registration of Securities, was adopted as R.1990 d.241, effective May 21, 1990. See: 21 N.J.R. 2903(a), 22 N.J.R. 1617(a).

Pursuant to Executive Order No. 66(1978), Chapter 47A, Bureau of Securities, was readopted as R.1992 d.435, effective October 2, 1992. See: 24 N.J.R. 2524(a), 24 N.J.R. 4060(a). Subchapter 12, Exemptions for Securities Transactions and Securities Offerings; Employee Benefit Plans; Accredited Investors, was adopted as R.1995 d.270, effective June 5, 1995. See: 27 N.J.R. 303(a), 27 N.J.R. 2241(a). Subchapter 13, General Rules of Practice; and Subchapter 14, Rules of Practice Relating to Investigations, were adopted as R.1995 d.540, effective October 16, 1995. See: 26 N.J.R. 3814(a), 26 N.J.R. 4337(a), 27 N.J.R. 3964(b).

Pursuant to Executive Order No. 66(1978), Chapter 47A, Bureau of Securities Rules, was readopted as R.1997 d.451, effective September 26, 1997. See: 29 N.J.R. 3119(a), 29 N.J.R. 4463(a). As part of R.1997 d.451, effective October 20, 1997, Subchapter 6, Issuers, was repealed.

Subchapter 3A, Investment Adviser Representatives, was adopted as new rule by R.2002 d.3 effective January 7, 2002(operative July 1, 2002). See: 32 N.J.R. 4232(a), 34 N.J.R. 300(b).

Chapter 47A, Bureau of Securities Rules, was readopted as R.2003 d.154, effective March 17, 2003. Suchapter 4, Forms, was repealed and new rules adopted by R.2003 d.154, effective April 7, 2003. See: Source and Effective Date. See, also, section annotations.

**CHAPTER TABLE OF CONTENTS**

**SUBCHAPTER 1. BROKER-DEALERS**

- 13:47A-1.1 Application for registration for NASD members
- 13:47A-1.2 Application for registration for persons not eligible for registration via CRD
- 13:47A-1.3 Financial reports to supplement application
- 13:47A-1.4 (Reserved)
- 13:47A-1.5 Preparation and contents of financial statements
- 13:47A-1.6 Minimum net capital

- 13:47A-1.7 Bonds
- 13:47A-1.8 Cash or securities in lieu of bond
- 13:47A-1.9 Change of status; submission of form
- 13:47A-1.10 Maintenance of books and records
- 13:47A-1.10A Maintenance of sales and advertising material (broker-dealers)
- 13:47A-1.11 Withdrawal of broker-dealer registration
- 13:47A-1.12 Display of name
- 13:47A-1.13 Application for successor

**SUBCHAPTER 2. INVESTMENT ADVISORS**

- 13:47A-2.1 Application for investment adviser registration
- 13:47A-2.2 Capital requirements
- 13:47A-2.3 Bonds
- 13:47A-2.4 Cash or securities in lieu of bond
- 13:47A-2.5 Change of status; submission of form
- 13:47A-2.6 Maintenance of books and records
- 13:47A-2.6A Maintenance of sales and advertising material (investment advisors)
- 13:47A-2.7 Withdrawal of investment adviser registration
- 13:47A-2.8 Application for successor
- 13:47A-2.9 "Investment supervisory services" defined
- 13:47A-2.10 Performance fee compensation
- 13:47A-2.11 Notice filing of Federally registered investment advisers

**SUBCHAPTER 3. AGENTS**

- 13:47A-3.1 Agents of broker-dealers
- 13:47A-3.2 Change of status; agents; submission of form
- 13:47A-3.3 Issuer-agent registration
- 13:47A-3.4 General partners

**SUBCHAPTER 3A. INVESTMENT ADVISER REPRESENTATIVES**

- 13:47A-3A.1 Registration of State registered investment adviser representatives
- 13:47A-3A.2 Change of status; submission of form

**SUBCHAPTER 4. EXAMINATIONS**

- 13:47A-4.1 Examinations for broker-dealers and investment advisors
- 13:47A-4.2 Examinations for agents
- 13:47A-4.3 Requests for waiver of agent examinations
- 13:47A-4.4 Examination requirements for investment adviser representatives

**SUBCHAPTER 5. RENEWAL**

- 13:47A-5.1 Expiration date
- 13:47A-5.2 Application for renewal
- 13:47A-5.3 Filing for renewal

**SUBCHAPTER 6. (RESERVED)**

**SUBCHAPTER 7. MISCELLANEOUS**

- 13:47A-7.1 Consent to service of process
- 13:47A-7.2 Custody of clients' funds or securities
- 13:47A-7.3 Broker-dealer
- 13:47A-7.4 Prospectus defined
- 13:47A-7.5 Effective date of applications
- 13:47A-7.6 Effectiveness of registrations filed with the CRD
- 13:47A-7.7 New registrations
- 13:47A-7.8 Filing of information with the CRD
- 13:47A-7.9 Notice filings for securities issued or offered by Federally registered investment companies and unit investment trusts
- 13:47A-7.10 Operative dates

**SUBCHAPTER 8. PENALTY**

- 13:47A-8.1 Assessment

SUBCHAPTER 9. (RESERVED)

SUBCHAPTER 10. REGISTRATION OF SECURITIES

- 13:47A-10.1 (Reserved)
- 13:47A-10.2 Registration by coordination
- 13:47A-10.3 Registration by Qualification
- 13:47A-10.4 Registration by Notification

APPENDIX A NEW JERSEY ADDENDUM TO REGISTRATION STATEMENT

APPENDIX B NEW JERSEY REGISTRATION STATEMENT FOR REGISTRATION BY NOTIFICATION

APPENDIX C STATEMENT OF ELIGIBILITY FOR REGISTRATION BY NOTIFICATION

SUBCHAPTER 11. FORMS

- 13:47A-11.1 Uniform Application for Broker-Dealer Registration (Form BD)
- 13:47A-11.2 Uniform Application for Investment Adviser Registration (Form ADV)
- 13:47A-11.3 Uniform Application for Securities Industry Registration or Transfer (Form U-4)
- 13:47A-11.4 Uniform Consent to Service of Process (Form U-2)
- 13:47A-11.5 Uniform Surety Bond Form (Form U-SB)
- 13:47A-11.6 Uniform Request for Broker-Dealer Withdrawal (Form BDW)
- 13:47A-11.7 Non-NASD Broker-Dealer Renewal Application (Form BDR)
- 13:47A-11.8 Investment Advisor Renewal for Calendar Year 20XX (Form IAR-year)
- 13:47A-11.9 Notice of Withdrawal from Registration as Investment Advisor (Form ADV-W)
- 13:47A-11.10 through 13:47A-11.20 (Reserved)

SUBCHAPTER 12. EXEMPTIONS FOR SECURITIES TRANSACTIONS AND SECURITIES OFFERINGS; EMPLOYEE BENEFIT PLANS; ACCREDITED INVESTORS

- 13:47A-12.1 Exemptions for securities transactions and securities offerings
- 13:47A-12.2 Employee benefit plans
- 13:47A-12.3 Accredited investors

SUBCHAPTER 13. GENERAL RULES OF PRACTICE

- 13:47A-13.1 Scope of Rules of Practice
- 13:47A-13.2 Bureau address and business hours
- 13:47A-13.3 Appearance and practice before the Bureau by non-lawyers
- 13:47A-13.4 Appearance and practice before the Bureau by lawyers (Reserved)
- 13:47A-13.5 (Reserved)
- 13:47A-13.6 Notice of appearance; designation for service; power of attorney
- 13:47A-13.7 Service upon the Bureau
- 13:47A-13.8 Service upon persons not represented by counsel
- 13:47A-13.9 Service upon persons represented by counsel
- 13:47A-13.10 Service upon registered persons
- 13:47A-13.11 Answers; when required
- 13:47A-13.12 Time to file answer
- 13:47A-13.13 Requirements of answer; effect of failure to deny
- 13:47A-13.14 Effect of failure to file answer
- 13:47A-13.15 Signature on answer; requirement and effect
- 13:47A-13.16 Offers of settlement
- 13:47A-13.17 Agreement of parties to participation of Bureau Chief in settlement discussions

SUBCHAPTER 14. RULES OF PRACTICE RELATING TO INVESTIGATIONS

- 13:47A-14.1 Scope of rules relating to investigations
- 13:47A-14.2 Information obtained during the course of private investigations
- 13:47A-14.3 Applicability of N.J.A.C. 13:47A-14.3 through 14.10

- 13:47A-14.4 Official transcript
- 13:47A-14.5 Access to transcripts
- 13:47A-14.6 Access to documentary evidence
- 13:47A-14.7 Witnesses; representation by counsel
- 13:47A-14.8 Witnesses; representation of counsel defined
- 13:47A-14.9 Sequestration of witnesses
- 13:47A-14.10 Compelling incriminating testimony of witnesses
- 13:47A-14.11 Service of subpoenas
- 13:47A-14.12 Access to premises by Bureau; generally
- 13:47A-14.13 Observation of conduct of business by Bureau
- 13:47A-14.14 Access to documents by Bureau
- 13:47A-14.15 Access to persons by Bureau
- 13:47A-14.16 Failure to cooperate

SUBCHAPTER 1. BROKER-DEALERS

13:47A-1.1 Application for registration for NASD members

(a) Any person who is a member of the National Association of Securities Dealers, Incorporated (NASD), desiring to transact business in the State of New Jersey as a broker-dealer shall file an application with the Bureau of Securities by filing the application with the NASAA/NASD Central Registration Depository (CRD) on the form designated as Form BD, Uniform Application for Broker-Dealer Registration, or any successor form to the Form BD prescribed by the CRD for filing a broker-dealer application. The requisite registration fee shall be submitted with the application filed with the CRD in the amount of \$250.00 for a one year registration term. Failure to pay the registration fee as above, within the billing time limits established by the Bureau or by the CRD, shall be a ground for immediate revocation of the registration. The applicant shall supplement the application filed with the CRD by directly filing with the Bureau of Securities any additional information which the Bureau Chief requires. The 30-day time period for review of an application will not commence until the applicant files all documents or material facts specified and required. The following additional information shall be required to be filed with the Bureau of Securities for all broker-dealer applications and no application shall be deemed complete until all of the following are properly submitted, unless the requirements are waived by the Bureau Chief:

1. A consent to service of process executed by the applicant as set forth in N.J.A.C. 13:47A-7.1. A fully completed and executed page 1 (Execution Page of the Form BD) Uniform Application for Broker-Dealer Registration or a successor form as prescribed by the CRD shall satisfy this requirement;

2. A consent to service of process executed by each officer, director, general partner or limited partner of the applicant who is to act as an agent in the State of New Jersey, as set forth in N.J.A.C. 13:47A-7.1. A fully completed and executed Form U-2, Uniform Consent to Service of Process, for each person, or a fully completed and executed page 1 of Form U-4, Uniform Application for Securities Industry Registration or Transfer, or a successor form, shall satisfy this requirement;