

## CHAPTER 12

### REGISTRAR AND TRANSFER AGENTS

#### Authority

N.J.S.A. 17:1-8.1, 17:1-15(e), 17:1C-33 et seq. and 17:9A-213.

#### Source and Effective Date

R.2008 d.98, effective March 25, 2008.  
See: 40 N.J.R. 5(a), 40 N.J.R. 2109(a).

#### Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 12, Registrar and Transfer Agents, expires on March 25, 2015. See: 43 N.J.R. 1203(a).

#### Chapter Historical Note

Chapter 12, Registrar and Transfer Agents, was adopted as R.1974 d.314, effective January 1, 1975. See: 6 N.J.R. 295(c), 6 N.J.R. 464(a).

Pursuant to Executive Order No. 66(1978), Chapter 12, Registrar and Transfer Agents, expired on June 15, 1997.

Chapter 12, Registrar and Transfer Agents, was adopted as R.1997 d.300, effective July 21, 1997. See: 29 N.J.R. 1583(a), 29 N.J.R. 3241(a).

Chapter 12, Registrar and Transfer Agents, was readopted as R.2003, d.6, effective December 3, 2002. See: 34 N.J.R. 2551(a), 35 N.J.R. 219(a).

Chapter 12, Registrar and Transfer Agents, was readopted as R.2008 d.98, effective March 25, 2008. See: Source and Effective Date. See, also, section annotations.

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#### SUBCHAPTER 1. GENERAL PROVISIONS

##### 3:12-1.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

“Capital” or “capitalization” means the aggregate of capital stock, surplus, undivided profits and unsecured subordinated capital notes or debentures.

“Commissioner” means the Commissioner of the Department of Banking and Insurance.

“Department” means the Department of Banking and Insurance.

“Fiscal agent” means a domestic corporation, or a foreign corporation authorized to transact business in this State, which transacts business in this State as a fiscal agent for other corporations, as defined in N.J.S.A. 17:9A-25(13).

“Qualified corporation” means a domestic corporation, or a foreign corporation authorized to transact business in this State, which registers with the Department to act as a registrar, transfer agent and/or fiscal agent.

“Registrar” means a domestic corporation, or a foreign corporation authorized to transact business in this State, which transacts business in this State as a registrar for other corporations, as defined in N.J.S.A. 17:9A-28(3).

“Transfer agent” means a domestic corporation, or a foreign corporation authorized to transact business in this State, which transacts business in this State as a transfer agent for other corporations, as defined in N.J.S.A. 17:9A-28(3).

Repeal and New Rule, R.1992 d.242, effective June 15, 1992.  
See: 24 N.J.R. 675(b), 24 N.J.R. 2242(b).

Section was “Registrar”.  
Amended by R.1997 d.300, effective July 21, 1997.  
See: 29 N.J.R. 1583(a), 29 N.J.R. 3241(a).  
Added “Commissioner” and “Department”.

##### 3:12-1.2 Effect of rules upon depository institutions

Nothing in this chapter shall be construed as expanding or restricting the powers otherwise conferred by law upon a depository institution, such as a bank or savings bank, to engage in activities as a registrar, transfer agent or fiscal agent, and no such depository institution, in exercising any power otherwise conferred upon it, shall be subject to any provision of this chapter.

Repeal and New Rule, R.1992 d.242, effective June 15, 1992.  
See: 24 N.J.R. 675(b), 24 N.J.R. 2242(b).  
Section was "Transfer agent".

### 3:12-1.3 (Reserved)

Repealed by R.1992 d.242, effective June 15, 1992.  
See: 24 N.J.R. 675(b), 24 N.J.R. 2242(b).  
Section was "Capital".

## SUBCHAPTER 2. REQUIRED REPORTING AND FILINGS WITH THE DEPARTMENT OF BANKING

### 3:12-2.1 Application to act as qualified corporation

(a) Prior to transacting business as a registrar, transfer agent or fiscal agent, a corporation shall obtain approval from the Department to act as a qualified corporation. The application to act as a qualified corporation shall be on a form approved by the Commissioner and shall contain the following:

1. The address of the principal corporate office;
2. Address of the principal office located in this State;
3. Names and home addresses of corporate directors and executive officers;
4. An unqualified audited financial statement prepared by a certified public accountant or a public accountant disclosing its assets, liabilities and capital;
5. Proof of the fidelity insurance coverage required by N.J.A.C. 3:12-4.1;
6. Evidence that the applicant has adequate vault or other safe-keeping facilities for the safeguarding of stocks and other securities received, processed or otherwise held for the account of customers;
7. An application fee of \$250.00; and
8. Additional information which may be specifically requested by the Commissioner from a particular filer.

(b) The president or vice president of the corporation shall certify that the information contained on the application is true to the best of his or her knowledge and belief.

Amended by R.1992 d.242, effective June 15, 1992.  
See: 24 N.J.R. 675(b), 24 N.J.R. 2242(b).  
Revised text.

Amended by R.1997 d.300, effective July 21, 1997.  
See: 29 N.J.R. 1583(a), 29 N.J.R. 3241(a).

Amended section name; in (a), inserted requirement that form be approved by the Commissioner; amended information to be included on form; and deleted former (c) and (d), relating to filing.

### 3:12-2.2 Public disclosure of financial information

A qualified corporation, upon request by a corporate client, shall provide its most recent financial statement and proof of fidelity insurance filed with the Department in accordance with N.J.A.C. 3:12-2.1 or 2.4 as applicable.

Amended by R.1992 d.242, effective June 15, 1992.  
See: 24 N.J.R. 675(b), 24 N.J.R. 2242(b).  
Revised text.

Amended by R.1997 d.300, effective July 21, 1997.  
See: 29 N.J.R. 1583(a), 29 N.J.R. 3241(a).  
Amended disclosure requirements.

### 3:12-2.3 Examination by a public accountant

(a) The directors of a qualified corporation shall cause the examination of the qualified corporation's records by a certified public accountant or public accountant at least once in each calendar year. The scope of said examination shall include an inventory verification of unissued stock certificates and a confirmation of the last certificate number issued with the corporate issuer. The verifications and confirmations shall not be less than five percent of the accounts serviced or 10 corporate issuers, whichever is greater.

(b) The certified public accountant or public accountant shall render an opinion on the financial statement, the sufficiency of internal controls and the adequacy of the separation of functions.

Amended by R.1992 d.242, effective June 15, 1992.  
See: 24 N.J.R. 675(b), 24 N.J.R. 2242(b).  
Revised text.

Amended by R.1997 d.300, effective July 21, 1997.  
See: 29 N.J.R. 1583(a), 29 N.J.R. 3241(a).

Inserted references to Certified Public Accountant.

### 3:12-2.4 Filing of annual report

(a) On or before April 1 of each year, each qualified corporation shall file an annual report on a form approved by the Commissioner containing the following:

1. The address of the principal corporate office;
2. The address of the principal office located in this State;
3. The names and home addresses of corporate directors and executive officers;
4. An unqualified audited financial statement as of the end of its most recent fiscal year prepared by a certified public accountant or a public accountant disclosing its assets, liabilities and capital;
5. Proof of fidelity insurance coverage required by N.J.A.C. 3:12-4.1;
6. The opinion of a certified public accountant or public accountant required by N.J.A.C. 3:12-2.3(b); and
7. A filing fee of \$100.00.

(b) The president or vice president of the corporation shall certify that the information contained on the annual report was reviewed by the Board of Directors and is true to the best of his or her knowledge and belief.

(c) A transfer agent owned by a bank holding company or financial holding company as defined by the Bank Holding

Company Act of 1956, 12 U.S.C. §1841 may submit, in lieu of (a)4 and 6 above, the following:

1. An unqualified opinion from the parent holding company's independent auditor as to the parent holding company's financial statement for the year to which the annual report pertains;
2. A letter to the Commissioner of Banking and Insurance attesting that the parent holding company provides and will continue to provide financial support to the transfer agent; and
3. A statement from the parent holding company's internal auditor, who shall be either a certified public accountant or a public accountant, confirming compliance

with the verification requirements of N.J.A.C. 3:12-2.3(a) and offering an opinion as to the transfer agent's financial statement, sufficiency of internal controls and adequacy of the separation of functions.

Amended by R.1997 d.300, effective July 21, 1997.  
See: 29 N.J.R. 1583(a), 29 N.J.R. 3241(a).

Amended section name and rewrote section.  
Amended by R.2006 d.233, effective June 19, 2006.  
See: 38 N.J.R. 5(a), 38 N.J.R. 2671(a).

Substituted "April 1" for "December 31" in introductory sentence of (a).

Amended by R.2008 d.98, effective April 21, 2008.  
See: 40 N.J.R. 5(a), 40 N.J.R. 2109(a).

In the introductory paragraph of (a), substituted "On or before" for "As of"; and added (c).