

54 N.J.R. 1416(b)

VOLUME 54, ISSUE 14, JULY 18, 2022

RULE ADOPTIONS

Reporter

54 N.J.R. 1416(b)

NJ - New Jersey Register > 2022 > JULY > JULY 18, 2022 > RULE ADOPTIONS > LAW AND PUBLIC SAFETY -- DIVISION OF CONSUMER AFFAIRS

Agency

LAW AND PUBLIC SAFETY > DIVISION OF CONSUMER AFFAIRS > BUREAU OF SECURITIES

Administrative Code Citation

Readoption: N.J.A.C. 13:47A

Text

Notice of Readoption

Rules of the Bureau of Securities

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

Authorized By: Amy Kopleton, Acting Bureau Chief, Bureau of Securities.

Effective Date: June 13, 2022.

New Expiration Date: June 13, 2029.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 13:47A were scheduled to expire on July 17, 2022. The Bureau of Securities (Bureau) administers and enforces New Jersey's Uniform Securities Law, N.J.S.A. 49:3-47 et seq., which governs the registration of securities, broker-dealers, investment advisers, agents for broker-dealers, investment adviser representatives, and investment advisers doing business in, or from, the State of New Jersey.

Subchapter 1 sets forth rules governing broker-dealers. These include, among other things, rules governing applications for

registration; the minimum net capital that broker-dealers are required to maintain; maintenance of sales and advertising materials, books, and records; and withdrawal of broker-dealer registration.

Subchapter 2 contains rules governing investment advisers, which include, amongst other things, application for registration, changes in status, and withdrawal of registration; minimum capital or surety bond requirements that investment advisers are required to maintain; cash or securities in lieu of bond; maintenance of books and records; and forms and the investment adviser brochure rule.

Subchapter 3 contains rules applicable to agents of broker-dealers, such as provisions relating to issuer-agent registration; and change of status and submission of forms.

Subchapter 3A contains rules governing investment adviser representatives, including registration of investment adviser representatives and change of status and submission of forms.

Subchapter 4 governs examinations for broker-dealers, investment advisers, agents, and investment adviser representatives, including provisions relating to waiver of agent or investment adviser representative examinations.

Subchapter 5 governs the expiration of registration and the process for renewing registration for a broker-dealer, investment adviser, and investment adviser representative or agent.

Subchapter 6 contains examples of dishonest or unethical business practices by broker-dealers, agents, issuer-agents, advisers, and internet site operators.

Subchapter 7 contains various provisions regarding: (1) consent to service of process; (2) custody of clients' funds or securities; (3) broker-dealers; (4) prospectuses; (5) effective dates of applications; (6) effectiveness of registrations filed with the Central Registration Depository (CRD) or the Investment Adviser Registration Depository (IARD); (7) new registrants; (8) filing of information with CRD or IARD; (9) notice filings for securities issued or offered by Federally registered investment companies and unit investment trusts; and (10) private placement filings.

Subchapter 8 governs the assessment of penalties.

Subchapter 9 is reserved.

[page=1417] Subchapter 10 sets forth provisions concerning registration by coordination, registration by qualification, and registration by notification. It also includes Appendices A, B

and C, which contain, respectively, the New Jersey Addendum, the New Jersey Registration Statement for Registration by Notification, and the Statement of Eligibility for Registration by Notification.

Subchapter 11 contains forms for, amongst other things, registrations, renewals, withdrawals, surety bonds, and consent to service of process.

Subchapter 12 sets forth the exemptions for securities transactions and securities offerings and addresses employee benefit plans, accredited investors, and manual exemptions.

Subchapter 12A sets forth the intrastate offering or "crowdfunding" exemption, including conditions for eligibility; filing for the exemption; requirements for internet site operator registration, renewal of registration, and conditions that exempt internet site operators from registering as a broker-dealer; requirements and duties of issuer and internet site operators; recordkeeping obligations by the issuer and internet site operator and inspection of such records; escrow accounts; provisions regarding advertising by issuers and persons acting on behalf of issuers and internet site operators; and measures to reduce the risk of fraud.

Subchapter 13 governs the rules of practice generally applicable to administrative proceedings before the Bureau under the Uniform Securities Law (1997) before a matter is determined to be a contested case and transmitted by the Bureau to the Office of Administrative Law.

Subchapter 14 contains the rules of practice relating to private investigations conducted by the Bureau.

The Bureau of Securities has reviewed these rules and has determined them to be necessary, reasonable, and proper for the purpose for which they were originally promulgated, as required by Executive Order No. 66 (1978). Therefore, pursuant to N.J.S.A. 49:3-47 et seq., specifically 49:3-67.a, and in accordance with N.J.S.A. 52:14B-5.1.c(1), these rules are readopted without amendment and shall continue in effect for a seven-year period.

NEW JERSEY REGISTER

Copyright © 2022 by the New Jersey Office of Administrative Law