

**STATE OF WISCONSIN**  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**Division Of Securities**

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## **Wisconsin Broker-Dealer Registration Procedure**

The following information is provided to assist you in preparing an application for a Wisconsin securities broker-dealer registration. Until this application is approved, neither the firm nor its agents are registered in Wisconsin. Therefore, they cannot solicit accounts, open accounts, receive any Wisconsin accounts from other brokerage firms or transact any other securities business with any Wisconsin residents.

1. Initial applications for broker-dealer registration in Wisconsin are accomplished with the following process. The forms and fees must be filed directly with the Central Registration Depository (CRD):
  - a. Form BD and \$400 (filing fee \$200 and application examination fee \$200) for review of the application by the Division of Securities as prescribed by [Wis. Stat. s. 551.614\(2\)](#) and [Wis. Admin. Code s. DFI-Sec 7.01\(3\)\(a\)](#). In subsequent years, the firm annual registration renewal fee is \$200.
  - b. Form U4 and \$80 for each securities agent to be registered in Wisconsin as prescribed by [Wis. Stat. s. 551.614\(2\)](#). (U4s can be filed at the time of the firm's application or later, as long as one agent is registered before the firm begins to conduct business in Wisconsin.) In subsequent years, the annual registration renewal for securities agents is \$80.
  - c. A Form BR and \$80 for each branch office located in Wisconsin as prescribed by [Wis. Stat. s. 551.614\(2\)](#). In subsequent years, the annual registration renewal for each branch office is \$80.
2. In addition, the following documents must be filed directly with the division (no application will be considered complete without these additional documents):
  - a. A completed BROKER-DEALER ACTIVITY OF APPLICANT form. A blank form is included with this BD Packet.
  - b. Financials – Most applications do not require financial information. If the broker-dealer is not delinquent in the filing of its annual financial statements with the U.S. Securities and Exchange Commission (SEC) under Rule 17a-5 of the Securities Exchange Act of 1934, it is not necessary to file a financial statement with the division. However, information on any deficiencies or special conditions must be reported to the division in writing.
  - c. If the firm has a website, provide the URL address or samples of the front page and any pages relating to account opening, terms and conditions, agreements, and disclosures. In addition, provide information as to whether online trading will be available from the broker-dealer.

### **AGENTS MUST BE REGISTERED IN WISCONSIN**

Each person who wishes to represent your firm by effecting or attempting to effect securities transactions in this state must be registered as a securities agent for a Wisconsin registered broker-dealer. To become registered, each prospective registrant must file a Form U4 with the CRD and must receive credit for or pass both the FINRA Securities Industry Essentials (SIE) examination and a FINRA representative level qualification examination. The registrant must also pass the Uniform Securities Agent State Law Examination (Series 63) or the Uniform Combined State Law Examination (Series 66) and General Securities Representative Examination (Series 7). All these examinations are administered by FINRA. Information regarding the examinations and the enrollment process can be found on FINRA's website at <https://www.finra.org/registration-exams-ce/qualification-exams/enroll>.

[Wis. Stat. s. 551.402\(5\) and \(6\)](#) prohibits an agent from simultaneously representing more than one broker-dealer or issuer or a combination of both unless certain conditions are met. See Dual Registration on DFI website for specific requirements:

<https://dfi.wi.gov/Pages/Securities/RegistrationOfProfessionals/RegisteredRepresentativeRegistrationBrokerDealerAgent.aspx>

## AMENDMENTS AND OTHER REPORTING REQUIREMENTS

Amendments to Form BD, changes of address or principal office, changes to Schedules A through D or other related topics will be accepted as filed with the CRD. These amendments are not required to be filed directly with the division.

The following reports required by [Wis. Admin. Code s. DFI-Sec 4.04](#), must still be filed with the division regardless of their inclusion with a Form BD amendment:

1. **Net Capital Requirements:** Pursuant to [Wis. Admin. Code s. DFI-Sec 4.02\(1\)](#), every broker-dealer shall maintain net capital as prescribed in rule 15c3-1 of the Securities Exchange Act of 1934 in such minimum amounts as are designated in the rule for the activities engaged in by the firm in Wisconsin. Financial reports are not required to be filed with the application or on an ongoing basis once registered. However, if the firm is deficient in its net capital or is subject to special net capital conditions by FINRA or the SEC, the firm must provide immediate electronic or written notice to Wisconsin at the time of the application or whenever the net capital is less than required.
2. **Complaints:** The broker-dealer is required to file with the division a copy of any complaint, civil or criminal proceeding against the broker-dealer, its partners, officers or agents within 20 days of the complaint or proceeding being served on the broker-dealer. A copy of any answer or reply to the complaint or proceeding is due in the division within 10 days of the date the answer is filed. A copy of any decision, order or sanction regarding the complaint or proceeding is due in the division within 20 days of the date the decision, order or sanction is given.
3. **Theft of Assets:** The broker-dealer must file with the division immediate electronic or written notice whenever there is a theft or disappearance of any Wisconsin customers' securities or funds that are in the custody or control of any of its offices, stating all material facts known concerning the theft or disappearance.

## CLEARING BROKERS

If the applicant will use the services of a clearing broker for trading and/or customer account maintenance, the clearing broker must also be registered as a broker-dealer in Wisconsin.

## BROKER-DEALERS PROVIDING INVESTMENT ADVISORY SERVICES

In Wisconsin, a broker-dealer that also provides investment advisory services must be separately registered or notice filed as an investment adviser. Broker-dealers who wish to provide advisory services in Wisconsin must make an initial registration or notice filing via the Investment Adviser Registration Depository (IARD). The broker-dealer must provide any additional documents required by the investment adviser filing requirements and will be charged the regular investment adviser registration or notice filing fees for this filing. (See the Investment Adviser Guide at <https://dfi.wi.gov/Pages/Securities/RegistrationOfProfessionals/InvestmentAdviser.aspx>.)

Agents of the broker-dealer who will provide the advisory services must make a separate application under the investment adviser registration or notice filing for registration as an investment adviser representative. They must also have passed the Series 65 exam (post January 1, 2000), the combination of the SIE/Series 7 and 66 exams (post January 1, 2000) within two years of the date of the application or hold one of these professional designations: CFP; ChFC; PFS; CFA; or CIC. Examination waivers for investment adviser representatives listed in [Wis. Admin. Code s. DFI-Sec 5.01\(4\)](#) may also apply.

## **REVIEW BY STAFF**

After an application is received by the division via CRD and placed in a “PENDING” status, it will be assigned to an examiner in the Professional Registration and Compliance Bureau. The examiner will notify the firm in writing within 30 days of any additional information needed to complete the application, however, most letters are sent within 10 days. Depending upon the information filed in the application and at the discretion of the staff, additional information may be requested from third parties such as clearing brokers and other regulatory agencies for information regarding the applicant or its principals.

The examiner has 45 days from the receipt of the additional information requested as part of the review process to take action on the application or request further information. Generally, the examiner’s review process is completed in less than the 45 days. The applicant has 180 days from the date the application status was changed to “Pending” to address all deficiencies and complete the application or be subject to the division changing the application status to “Abandoned”.

A firm will not be approved in Wisconsin until approval has been granted via the CRD by the SEC, FINRA and the broker-dealer’s home state.

Upon completion of the examiner’s review and the firm’s SEC, FINRA and home state approval, the firm’s status on CRD will be changed to “Approved” in Wisconsin with the effective date of that approval. This is the first date upon which the firm can begin providing broker-dealer services to Wisconsin clients. The examiner will notify the firm when the application has been approved.

## **LAW AND RULES AVAILABLE**

Copies of the Wisconsin Uniform Securities Law and Rules of the division are available online on the DFI website at: <https://dfi.wi.gov/Pages/Securities/RegistrationOfProfessionals/StatutesRules.aspx>.

## **ONLINE BROKER-DEALER GUIDE**

The division’s website includes a Broker-Dealer Guide with detailed information about applying for registration and the regulation of broker-dealers in Wisconsin. Most of your questions will likely be answered by referring to the guide.

**Go to:** <https://dfi.wi.gov/Pages/Securities/RegistrationOfProfessionals/BrokerDealer.aspx>

If you have additional questions concerning Wisconsin broker-dealer registration requirements, feel free to call the division’s examiner of the day phone line at (608) 266-2139.

Out-of-state organizations transacting business in Wisconsin may be required to register with DFI’s Corporation Division. If you have questions about requirements for registering as a foreign entity in Wisconsin, please see DFI website at <https://dfi.wi.gov/Pages/BusinessServices/BusinessEntities/Forms.aspx>.

Additional copies of this packet and forms are available online at: <https://dfi.wi.gov/Pages/Securities/RegistrationOfProfessionals/FormsApplications.aspx>

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**Wisconsin Broker-Dealer Activity of Applicant**

Pursuant to [Wis. Stat. s. 551.401\(1\)](#), it is unlawful for any person to transact business in Wisconsin as a broker-dealer unless so registered under [Wis. Stat. Ch. 551](#), except that a person who effects transactions in this state exclusively for the account of or exclusively in offers to sell or sales as specified in [Wis. Stat. s. 551.401\(2\)](#) and [\(4\)](#), or [Wis. Admin. Code s. DFI-Sec 4.10\(1\)](#), is not required to be so registered.

Transacting business includes effecting or attempting to effect transactions in securities and/or soliciting any person in the state to become a customer of the broker-dealer.

The fact that a person may have transacted business as a broker-dealer in Wisconsin in violation of [Wis. Stat. s. 551.401\(1\)](#), does not mean that a person's Wisconsin registration application will automatically be denied.

As part of the Wisconsin broker-dealer registration application, the applicant must respond as to whether the applicant has engaged in broker-dealer business in Wisconsin without being properly registered. To facilitate your response, please complete the questionnaire below and return the completed form to the division.

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- NO**, this applicant is not now transacting and has never transacted broker-dealer business in Wisconsin.
- YES**, this applicant has transacted broker-dealer business in Wisconsin prior to this application. ***The applicant agrees to stop transacting such business immediately, until properly registered.***

If yes, list all transactions effected in Wisconsin:

Name & Address of Customer	Date of Transaction	Description of Transaction	Date of Client Agreement	Name of Agent	Total Commissions Charged
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(Attach additional pages if space provided is insufficient.)

Name of Applicant: \_\_\_\_\_

Signature: \_\_\_\_\_

Typed Name and Title of Signatory: \_\_\_\_\_

Firm CRD Number: \_\_\_\_\_ Date: \_\_\_\_\_

**This document can be made available in alternate formats upon request to qualifying individuals with disabilities.**