

Rules and Regulations for New Issue Investing



Contact Information:

Log in and go to Client Services >
Message Center to contact us

Mailing Address:

PO Box 2209, Omaha, NE 68103-2209

Prior to participating in New Issue offerings through TD Ameritrade, please review and acknowledge that you understand the following:

Consider Your Investment Objectives

New Issues can offer high returns but also involve potentially high risk. TD Ameritrade is not endorsing any particular investment by making it available to our customers. As with any investment that you make through TD Ameritrade, you must determine whether a particular security is consistent with your investment objectives, risk tolerance, and financial situation.

Purchasing New Issue Shares

To purchase New Issue shares, you must contact TD Ameritrade at 866-678-7233. You will need to complete FINRA Form 5130 to ensure that you are eligible to purchase equity IPOs. Once your Form 5130 is on file and you are not designated a “restricted person,” you will need to contact TD Ameritrade to answer a few questions to make sure you meet the firm’s standards for eligibility. You can also agree to electronic delivery of the pre-sale prospectus. Please note that the opportunity to purchase shares in any New Issue will be substantially limited in the event of high demand.

1. Complete Form 5130

You can either complete this form by logging in to your TD Ameritrade account on our secure website and going under Trade > Equity IPOs to complete the 5130 form electronically or you can contact an Initial Public Offering Broker at 800-669-3900 for assistance with processing that form verbally.

2. Answer Additional Eligibility Questions

Once you have a Form 5130 on file and you are not determined to be a “restricted person,” you will need to contact TD Ameritrade at 866-678-7233 to meet additional eligibility standards required by the firm. Your account must meet minimum equity requirements and you must understand and acknowledge disclosures regarding the speculative nature of IPOs and TD Ameritrade’s policy regarding “flipping,” which involves selling IPO shares within 30 days of the security initially trading.

New Issues are offered and sold by way of an official offering document called a Prospectus. When you place your Conditional Offer to Buy with a TD Ameritrade representative, you will receive an email with a link to the pre-sale prospectus. If you do not wish to receive an email, a prospectus will be mailed to you. The Prospectus is filed with federal and state securities regulators as part of the Registration Statement which must be declared effective prior to the issue. After the Prospectus has been filed but before the offering is declared effective, offers to sell the securities can be made using a Preliminary Prospectus or “red herring.” The Preliminary Prospectus generally indicates a range of likely prices for the issue.

3. Place a Conditional Offer

Approximately five business days prior to the anticipated effectiveness of a particular New Issue, TD Ameritrade will begin accepting “Conditional Offers” to purchase securities in the particular offering when and if issued. These offers cannot be accepted until the Registration Statement for the offering has been declared effective by the Securities and Exchange Commission (SEC).

Once IPO shares have been allocated, you will be able to see the order in your account. Please note that placing a Conditional Offer does not guarantee an allocation of shares.



Cancelling a Conditional Offer

You can cancel your Conditional Offer anytime prior to shares being allocated to you.

Changing a Conditional Offer

You can change your Conditional Offer anytime prior to shares being allocated to you.

Allocation of Shares

After the issue is priced, shares will be distributed among accounts that have placed Conditional Offers and met all other conditions for participation. Once the shares have been allocated, you will be able to view your order in your account. *Placing a Conditional Offer does not guarantee an allocation of shares.* If your account has insufficient funds at the time of allocation, you may receive a partial order fulfillment or you may be excluded from the offering entirely. It is your responsibility to ensure that there are sufficient available funds to cover the purchase when the offering prices and allocations are processed.

TD Ameritrade's IPO Flipping Policy

TD Ameritrade **discourages** the “flipping” of an INITIAL PUBLIC OFFERING (IPO). TD Ameritrade defines “flipping” as buying shares in an IPO and selling them within 30 calendar days from the date the IPO was initially publicly traded. Customers may be excluded from participation in any future IPOs if a pattern of selling IPO shares within 30 calendar days exists.

Please note that you are always free to sell shares in a public offering at any time. The foregoing policy is intended solely to discourage the practice of “flipping” shares of new issues. TD Ameritrade will not be responsible for any losses incurred due to holding a position in order to remain in the IPO program.

Investment Products: Not FDIC Insured * No Bank Guarantee * May Lose Value

TD Ameritrade, Inc., member FINRA/SIPC, a subsidiary of The Charles Schwab Corporation. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. ©2021 Charles Schwab & Co. Inc. All rights reserved.