



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: April 03, 2023

TIME: 3:08 PM

WSR 23-08-058

Agency: Department of Financial Institutions, Securities Division

Subject of possible rule making: The Securities Division is soliciting comments on the possible amendment of the rules regarding broker-dealers and salespersons of broker-dealers in Chapters 460-20B WAC, 460-21B WAC, and 460-22B WAC.

Statutes authorizing the agency to adopt rules on this subject: RCW 21.20.450.

Reasons why rules on this subject may be needed and what they might accomplish: The Securities Division is considering possible amendments to the broker-dealer rules in Chapters 460-20B WAC, 460-21B WAC, and 460-22B WAC. Many of these rules have not been substantively amended since the 1990s. The Securities Division is considering amendments to bring the rules up to date with federal rules, incorporate NASAA model rules, and describe the application filing procedures and requirements for broker-dealers and salespersons, among other possible updates.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The Securities Act of Washington regulates broker-dealers and securities salespersons doing business in Washington. The U.S. Securities and Exchange Commission ("SEC") also regulates broker-dealers and has delegated the regulation of certain broker-dealers to the Financial Industry Regulatory Association ("FINRA"), a self-regulatory organization. The state regulation of broker-dealers is subject to certain provisions of the National Securities Markets Improvement Act of 1996 ("NSMIA"). NSMIA restricts states from making laws or rules that establish capital, custody, margin, financial responsibility, recordkeeping, bonding, or financial or operational reporting requirements for broker-dealers that are different from or in addition to the requirements in those areas established under federal law. Accordingly, any rules created by the Securities Division in these specified topic areas must be consistent with federal law and SEC and FINRA rules. The Securities Division retains fraud jurisdiction and the ability to make state-specific rules in the topic areas not restricted by NSMIA.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The Securities Division is soliciting comments from interested persons and will adopt rules only after considering public comments

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

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Other:	Web site:
	Other:

Additional comments:

Date: 04/03/2023	Signature:
Name: William M. Beatty	
Title: Securities Administrator	