



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (August 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 08, 2017

TIME: 9:35 AM

WSR 17-17-022

Agency: Department of Financial Institutions, Securities Division

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain:

Purpose: On October 26, 2016, the Securities and Exchange Commission adopted final rules amending intrastate offering exemptions. See SEC Rulemaking Release No. 33-10238, titled "Exemptions to Facilitate Intrastate and Regional Securities Offerings," available at: <https://www.sec.gov/rules/final/2016/33-10238.pdf>. Included in these amendments are changes to the federal intrastate offering exemption, which is the basis for the state crowdfunding exemption in the Securities Act of Washington. In addition, on April 25, 2017, Governor Inslee signed into law House Bill 1593, which amends the state crowdfunding exemption in the Securities Act of Washington. The Bill includes amendments to the reference to federal exemptions from registration, and other housekeeping amendments.

As the rules contained in chapter 460-99C WAC implement the state crowdfunding exemption, the Division is now amending these rules to ensure coordination of our rules to related federal amendments and to state statutory amendments. The amendments include revisions to: allow offerings under either federal Rule 147 or newly adopted federal Rule 147A; remove the requirement to use a portal; relax ongoing reporting requirements; expand the types of securities an issuer can offer under the crowdfunding rules; and exclude accredited investors from individual investment limits.

Citation of rules affected by this order:

New: 0
 Repealed: 3
 Amended: 10
 Suspended: 0

Statutory authority for adoption: RCW 21.20.450; RCW 21.20.880

Other authority: HB 1593, Chapter 113, Laws of 2017

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 17-12-009 on May 25, 2017 (date).

Describe any changes other than editing from proposed to adopted version: The Securities Division amended WAC 460-99C-040(6) to require an issuer to file a copy of any agreements between it and any broker-dealer or other intermediary.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:
 Address:
 Phone:
 Fax:
 TTY:
 Email:
 Web site:
 Other:

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	___	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	<u>10</u>	Repealed	<u>3</u>

The number of sections adopted at the request of a nongovernmental entity:

New	___	Amended	___	Repealed	___
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The number of sections adopted in the agency's own initiative:

New	___	Amended	___	Repealed	___
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	___	Amended	___	Repealed	___
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The number of sections adopted using:

Negotiated rule making:	New	___	Amended	___	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

Date adopted: August 7, 2017

Name: Gloria Papiez

Title: Director, Department of Financial Institutions

Signature:

