



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

P.O. Box 9033 • Olympia, Washington 98507.9033
Telephone (360) 902.8760 • TDD (360) 664.8126 • FAX (360) 902.0524 • Web Site: www.dfi.wa.gov/sd

Notice of Proposed Rule Making to Mandate Electronic Filing of Rule 506 Notices through NASAA's EFD System

October 9, 2019

To Interested Persons:

The Securities Division is proposing to amend WAC 460-44A-503 to require that notice filings and fees for securities offerings made in reliance on Rule 506 of federal Regulation D be submitted electronically through the Electronic Filing Depository (EFD).

Launched by the North American Securities Administrators Association in 2014, EFD is an online system that has modernized and streamlined the process of submitting notice filings by allowing issuers to electronically submit Forms D concerning Rule 506 offerings to state securities regulators and pay filing fees. Currently, 48 jurisdictions either accept or mandate Rule 506 notice filings made through EFD. The system is in wide use: in 2018, 68,438 new notice filings, 7,435 amendment filings, and 9308 renewal filings for Rule 506 offerings were made through EFD in those jurisdictions utilizing the system. In Washington alone, the Securities Division received 3,412 Rule 506 notice filings through EFD, compared to 577 notice filings on paper.

Although the Securities Division currently accepts notice filings through EFD as well as paper submissions, paper submissions require the Securities Division to manually process and scan the notice filings, which may result in delays to the issuer in receiving an acknowledgment of its filing or any follow-up correspondence. Requiring issuers to use the EFD system to file Rule 506 notice filings would eliminate inefficiencies and result in a streamlined process for both issuers and the Securities Division.

The Securities Division has now filed a notice of Proposed Rule Making (Form CR-102) and the text of the proposed rules (OTS-1268.1). These materials are available on our website at: <https://dfi.wa.gov/rulemaking/electronic-filing-depository-requirements>.

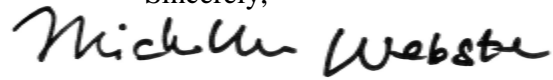
If you have comments on the proposed rules, we would like to hear from you. Comments will be accepted through November 25, 2019 and may be submitted to Michelle Webster at michelle.webster@dfi.wa.gov, or you may mail your comments to the following address:

Michelle Webster, Esq.
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033

A public hearing on the proposed rules is scheduled for November 26, 2019 at 9:00 AM. Further details concerning the hearing are included in the Notice of Proposed Rule Making available on our website.

If you have any questions, please contact the undersigned by telephone at (360) 902-8736 or by e-mail at michelle.webster@dfi.wa.gov.

Sincerely,

A handwritten signature in black ink that reads "Michelle Webster". The signature is written in a cursive, flowing style.

Michelle Webster, Esq.