



# RULE-MAKING ORDER PERMANENT RULE ONLY

## CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: December 10, 2019

TIME: 10:42 AM

WSR 20-01-055

**Agency:** Washington 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:** The Securities Division hereby amends WAC 460-44A-503, which sets forth notice filing requirements for securities offerings made in reliance on federal Regulation D, Rule 506. The Securities Division amends WAC 460-44A-503 to require that notice filings and fees for securities offerings made in reliance on Rule 506 be submitted electronically through the North American Securities Administrators Association's online Electronic Filing Depository (EFD) system. The Securities Division is also amending WAC 460-44A-503 to clarify that any amendments to previously filed notice filings concerning Rule 506 offerings must also be filed through 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. It allows issuers to electronically submit Forms D concerning Rule 506 offerings to state securities regulators and pay filing fees. Currently, 47 jurisdictions either accept or mandate Rule 506 notice filings made through EFD. The EFD system is in wide use: in 2018, 68,438 new notice filings, 7,435 amendment filings, and 9,308 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 in 2018, compared to 577 notice filings on paper.

**Citation of rules affected by this order:**

- New:
- Repealed:
- Amended: WAC 460-44A-503
- Suspended:

**Statutory authority for adoption:** RCW 21.20.327; RCW 21.20.450

**Other authority:**

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 19-21-042 on October 9, 2019 (date).  
Describe any changes other than editing from proposed to adopted version: None.

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	___	Repealed	___

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

New	___	Amended	___	Repealed	___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

New	___	Amended	1	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:** December 10, 2019

**Name:** Charles Clark

**Title:** Director, Department of Financial Institutions

