



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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**Notice of Preproposal Statement of Inquiry Concerning the NASAA Statement of Policy
Regarding the Use of Franchise Questionnaires and Acknowledgments**

January 23, 2023

We are writing to inform you that the Securities Division is considering proposing to amend Chapter 460-80 WAC to formally adopt the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments promulgated by the North American Securities Administrators Association, Inc. (“NASAA”).

On September 18, 2022, NASAA adopted the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments (“Statement of Policy”). The Statement of Policy sets uniform standards for the proper use of questionnaires and acknowledgments in franchise offerings. The Statement of Policy has an effective date of January 1, 2023.

The Statement of Policy prohibits provisions that would require a prospective franchisee to make statements that are subjective, unreasonable, or that attempt to absolve the franchisor or its agents of liability in connection with the sale of a franchise. These provisions are also inconsistent with the Franchise Investment Protection Act’s anti-waiver provisions. *See* RCW 19.100.220(2) and RCW 19.100.180(2)(g). It is important to note that the adoption of the Statement of Policy does not represent a material change in requirements for franchise offerings in Washington. However, adoption of the Statement of Policy would aid franchisors in complying with existing Washington law by providing specific examples of prohibited questionnaires and acknowledgments, while also increasing compliance with anti-waiver and anti-fraud requirements across the states with such requirements.

The Statement of Policy is available at: <https://www.nasaa.org/wp-content/uploads/2022/09/NASAA-Franchise-Questionnaires-and-Acknowledgments-Statement-of-Policy-9-18-2022.pdf>.

A copy of the Preproposal Statement of Inquiry (Form CR-101) is available at: <https://dfi.wa.gov/rulemaking/nasaa-statement-policy-regarding-use-franchise-questionnaires-and-acknowledgments>. If you have questions, please contact the undersigned by telephone at (360) 902-8797 or by email at Nathan.Quigley@dfi.wa.gov.

Sincerely,

Nathan Quigley
Securities Division