On March 4, the Securities and Exchange Commission voted to propose a set of amendments (the Proposal) to “harmonize, simplify and improve the exempt offering framework to promote capital formation and expand investment opportunities while preserving and enhancing important investor protections,” according to the SEC’s press release announcing the Proposal. As highlighted in the press release, if adopted, the Proposal would, among other things:

- increase the offering limits for Regulation A, Regulation Crowdfunding and Rule 504 offerings and revise certain related individual investment limits;

- set clear and consistent rules governing offering communications between investors and issuers, providing greater certainty to issuers and protection to investors, including permitting certain “demo day” activity without violating the prohibition on general solicitation;

- address in one rule the ability of issuers to move from relying on one exemption to another and ultimately to a registered offering; and

- harmonize certain disclosure and eligibility requirements and bad actor
disqualification events to decrease differences between exempt offerings.

The SEC is soliciting comments on the Proposal for a period of 60 days after publication in the Federal Register.

The full text of the Proposal is available here, and the press release and fact sheet are available here.

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