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previously established companies directly or indirectly affected by COVID-19 that are seeking to meet their funding needs through the offer and sale of securities ...

May. 05, 2020



The Securities and Exchange Commission has announced that it is providing

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On the other hand, the rules will apply to offerings launched between the effective date of the temporary rules and Aug. 31, 2020.

“In the current environment, many established small businesses are facing challenges accessing urgently needed capital in a timely and cost-effective manner,” said SEC Chairman Jay Clayton. “Today’s action responds to feedback we have received from our Small Business Capital Formation Advisory Committee and others about the difficulties these companies may face in conducting an offering within a time frame that meets pressing capital needs, while continuing to provide appropriate protections for investors.”

The temporary rules are the latest in a series of steps the Commission has taken to assist financial market participants in addressing the impacts of the coronavirus. The Commission’s [website](#) provides additional information regarding its response. The Commission and its staff continue to assess impacts relating to the coronavirus on investors and market participants, and will consider additional relief from other regulatory requirements where necessary or appropriate. Firms and financial professionals affected by the coronavirus are encouraged to contact the staff with questions and concerns.

## **FACT SHEET**

### **Temporary Amendments to Regulation Crowdfunding**

**May 4, 2020**

#### **Action**

The Securities and Exchange Commission has announced temporary final rules that provide tailored, conditional relief to established smaller companies from certain requirements of Regulation Crowdfunding relating to the timing of the offering and

the availability of financial statements required to be included in issuers' offering

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The temporary rules provide flexibility for issuers that meet certain eligibility criteria to assess interest in a Regulation Crowdfunding offering prior to preparation of full offering materials, and then once launched, to close such an offering and have access to funds sooner than would be possible in the absence of the temporary relief. The temporary rules also provide an exemption from certain financial statement review requirements for issuers offering more than \$107,000 but not more than \$250,000 in securities in reliance on Regulation Crowdfunding within a 12-month period.

More information at: <https://www.sec.gov/news/press-release/2020-101>

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