

SEC Issues Final Rules to Make JOBS Act Inflation Adjustments and Amendments to Forms and Rules to Accommodate Emerging Growth Companies

April 11, 2017 – Governance & Compliance Insider

by Jason Brenkert

On March 31, 2017, the Securities and Exchange Commission (SEC) issued final rules regarding inflation adjustments and other technical amendments under Title I and III of the Jumpstart Our Business Startups (JOBS) Act. Under the inflation adjustments, the SEC adjusted the gross revenue threshold for an issuer to lose its status as an Emerging Growth Company (EGC) from \$1.0 billion to \$1.07 billion, a \$70 million dollar increase. Further, the SEC adjusted the Regulation Crowdfunding thresholds, increasing among other thresholds the maximum amount an issuer can raise under Regulation Crowdfunding from \$1 million to \$1.07 million.

In relation to the various exemptions and scaled disclosure permitted to EGCs under the JOBS Act, the SEC also adopted technical amendments to certain rules and to certain forms, adding check boxes to the cover pages for companies to indicate if they are an EGC and whether they have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Exchange Act of 1934 (the Exchange Act). Forms and rules amended include Forms C, S-1, S-3, S-4, S-8, S-11, F-1, F-3 and F-4 under the Securities Act of 1933; Rule 12b-2, Rule 14a-21 and Forms 10, 8-K, 10-Q, 10-K, 20-F and 40-F under the Exchange Act; Rule 2-02 and Rule 3-02 of Regulation S-X; Rule 100 and Rule 201 of Regulation Crowdfunding; and Items 301, 303, 308, 402 and 1101 of Regulation S-K to reflect these reporting accommodations.

The new rules and changes in the forms will take effect upon publication in the Federal Register, which is currently scheduled to take place on April 12, 2017. Issuers should take note of these changes in the form cover pages in preparing their next periodic reports to the SEC.

Related People

- Jason Brenkert

Related Capabilities

- Corporate Governance & Compliance
- Mergers & Acquisitions
- Government Enforcement & Corporate Investigations