

# Public Companies May Now Offer Securities Under Regulation A+

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SEC-reporting companies are now able to issue securities under Regulation A+, as the federal limited-offering exemption revised in 2015 is commonly known. As of January 31, 2019, companies subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act may conduct Reg A+ offerings. Previously, the Reg A+ exemption was available only to private companies. This change expands the range of options for capital formation available to SEC-reporting companies.

Before 2015, so-called mini-IPOs under Regulation A were unpopular, because they combined relatively onerous requirements such as scaled-down registration statements with a low maximum offering amount of \$5 million. The 2015 revisions made Reg A+ offerings more cost-effective by raising the maximum offering amount to \$50 million in a 12-month period and by requiring audited financial statements and ongoing SEC reports only for Tier 2 offerings, which raise more than \$20 million.

Public company issuers automatically satisfy their ongoing reporting obligations under Reg A+ by filing their periodic and current reports on Forms 10-K, 10-Q, and 8-K, as they are required to do anyway. A more detailed discussion of the two tiers of Reg A+ offerings and their requirements, as well as a comparison to alternative types of offerings, is available in our previous article.

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