




# INFLATION ADJUSTMENTS TO REGULATION CROWDFUNDING AND EMERGING GROWTH COMPANIES THRESHOLDS

Effective September 20, 2022, the following thresholds have been increased to adjust for inflation:

What parties are affected?	What is changing?	Why does it matter?	What are the new adjustments?	
 <b>Investment Limits</b>		There are limits on the <b>amount</b> that <u>non-accredited investors</u> may invest in <b>crowdfunding offerings</b> in a 12-month period	A non-accredited investor whose <b>annual income or net worth</b> is <b>less than \$124,000</b> (previously \$107,000) may invest <b>up to</b> the <b>greater of:</b>	<b>\$2,500</b> (previously \$2,200) or <b>5%</b> of the investor's annual income or net worth
			A non-accredited investor whose <b>annual income and net worth</b> are <b>at least \$124,000</b> (previously \$107,000) may invest <b>up to:</b>	<b>10%</b> of the <b>greater of</b> the investor's annual income or net worth, <b>not to exceed \$124,000</b> (previously \$107,000)
 <b>Companies using Regulation Crowdfunding</b>	 <b>Financial Statement Requirements</b>	Companies conducting a crowdfunding offering must file an <b>offering statement</b> with <u>financial statements</u> with the SEC. The financial statement requirements are based on the amount of crowdfunding securities the company is offering.	For offerings of <b>up to \$124,000*</b> (previously \$107,000)	Financial statements and certain items from income tax returns <b>certified</b> by the <b>principal executive officer**</b>
			For offerings of <b>greater than \$124,000*</b> (previously \$107,000) and <b>up to \$618,000</b> (previously \$535,000) or for a <b>first crowdfunding offering</b> of <b>up to \$1.235 million</b> (previously \$1.07 million)	Financial statements <b>reviewed</b> by an <b>independent public accountant***</b>
			All other offerings <b>up to</b> the maximum aggregate of <b>\$5 million</b>	Financial statements <b>audited</b> by an <b>independent public accountant</b>
 <b>Public Companies</b>	 <b>Companies that qualify as Emerging Growth Companies (EGCs)</b>	<b>EGCs</b> may choose to follow <u>scaled disclosure</u> requirements.	To qualify as an EGC, a company must have <b>annual gross revenue</b> of <b>less than</b>	<b>\$1.235 billion</b> (previously \$1.07 billion)

\* The temporary relief to Regulation Crowdfunding enacted in 2020 allowing financial statements and income tax return information certified by the principal executive officer for offerings up to \$250,000 expired on August 28, 2022.

\*\* Unless the financial statements have been reviewed or audited by an independent public accountant, in which case these should be provided instead.

\*\*\* Unless the financial statements have been audited by an independent public accountant, in which case these should be provided instead.