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?**

Companies using Regulation Crowdfunding

**What is changing?**

A non-accredited investor whose annual income or net worth is less than $124,000 (previously $107,000) may invest up to the greater of:

- $2,500 (previously $2,200)
- 5% of the investor’s annual income or net worth

A non-accredited investor whose annual income and net worth are at least $124,000 (previously $107,000) may invest up to:

- $10% of the greater of the investor’s annual income or net worth, not to exceed $124,000 (previously $107,000)

For offerings of up to $124,000* (previously $107,000)

For offerings of greater than $124,000* (previously $107,000) and up to $618,000 (previously $535,000) or for a first crowdfunding offering of up to $1.235 million (previously $1.07 million)

Financial statements reviewed by an independent public accountant***

All other offerings up to the maximum aggregate of $5 million

Financial statements audited by an independent public accountant

**Why does it matter?**

There are limits on the amount that non-accredited investors may invest in crowdfunding offerings in a 12-month period.

For offerings of

Financial statements and certain items from income tax returns certified by the principal executive officer**

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

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** This 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.

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