



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?	
 Investment Limits		There are limits on the amount that <u>non-accredited investors</u> may invest in crowdfunding offerings in a 12-month period	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) or 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)
 Companies using Regulation Crowdfunding	 Financial Statement Requirements	Companies conducting a crowdfunding offering must file an offering statement 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 up to \$124,000* (previously \$107,000)	Financial statements and certain items from income tax returns certified by the principal executive officer**
			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
 Public Companies	 Companies that qualify as Emerging Growth Companies (EGCs)	EGCs may choose to follow <u>scaled disclosure</u> requirements.	To qualify as an EGC, a company must have annual gross revenue of less than	\$1.235 billion (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.

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