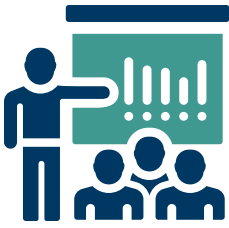




Regulation A



Why consider a Regulation A offering?

A [Regulation A](#) offering — sometimes referred to as a “mini IPO”— is a type of [exempt offering](#) that permits a company to offer and sell [securities](#) to the public through a process that is similar to, but less extensive than, a [registered offering](#).

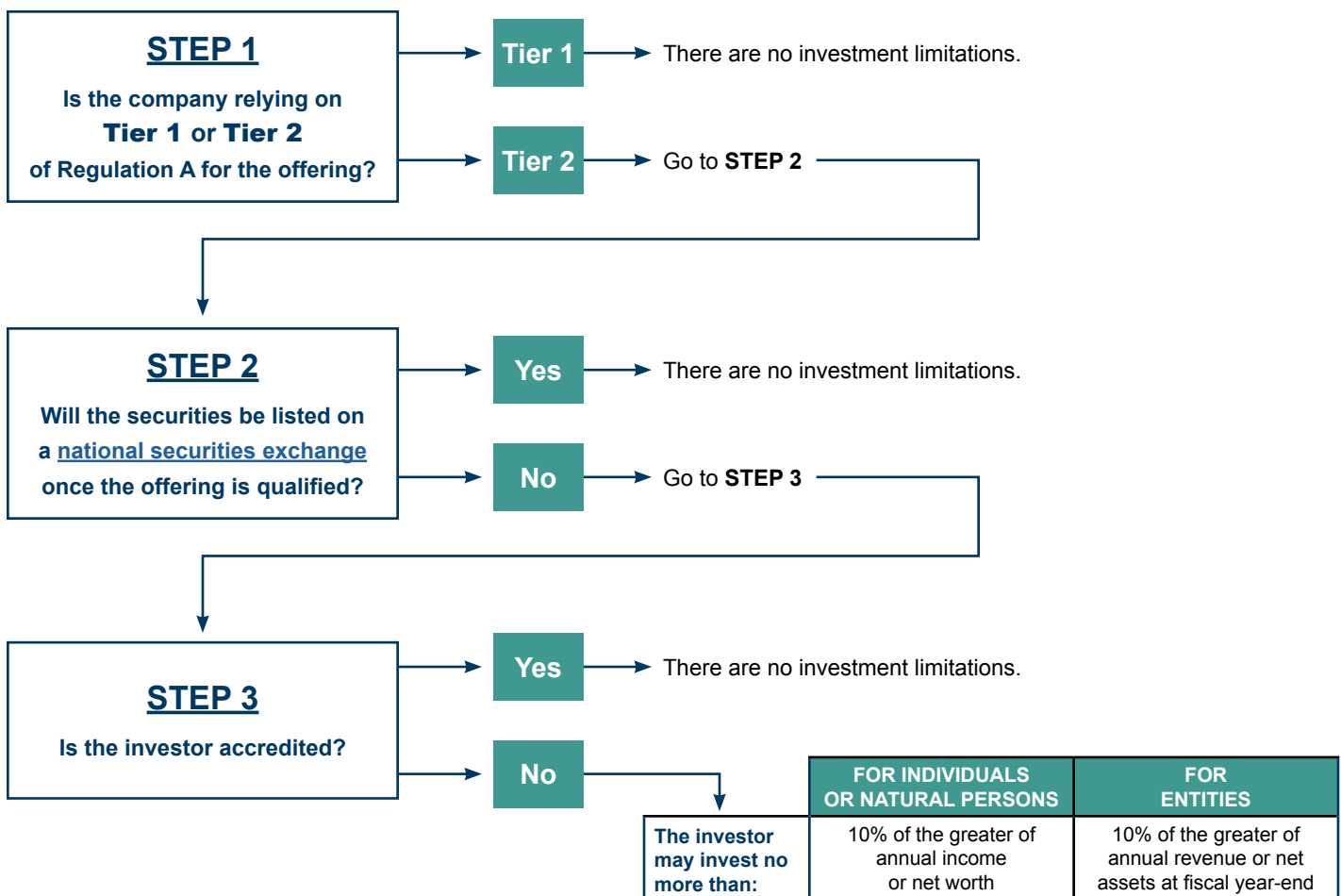
Companies may conduct an offering under either Tier 1 or Tier 2 of Regulation A. Tier 1 is available for offerings of up to \$20 million in a 12-month period. Tier 2 is available for offerings of up to \$75 million in a 12-month period. Both Tiers include limits on certain sales by selling securityholders that are [affiliated](#) with the company.

Is my company eligible?

Regulation A is available only to companies organized, and with their principal place of business, in the United States or Canada. Regulation A is not available to some types of [investment companies](#) or certain other disqualified companies.

Who can invest in a Regulation A offering?

Who can invest, and how much they can invest, in a Regulation A offering depends on which Tier of Regulation A the company is using for the offering.



continued on back page



Regulation A *(continued)*

How can I find potential investors for a Regulation A offering?

Companies considering a Regulation A offering are permitted to “test the waters,” or [solicit interest](#), for a potential offering from the general public, either before or after the filing of the offering statement. “Testing the waters” is permitted only if the solicitation materials comply with certain legend and filing requirements.

What reports must a company file under a Regulation A offering?

Initial Reporting

A company conducting a Regulation A offering must file an offering statement on Form 1-A with the SEC. No filing fee is required. Form 1-A requires non-financial narrative disclosures about the company and the offering. Depending on the offering Tier used, Form 1-A also may require audited financial statements. Tier 1 issuers are not required to provide audited financial statements unless the company has already prepared them for other purposes, but Tier 2 issuers are required to include audited financial statements in their offering circulars.

Companies may not sell securities until the offering statement has been qualified by the SEC.

Ongoing Reporting

Companies may have ongoing reporting requirements after they have completed or terminated a Regulation A offering. Those requirements differ depending on which Tier the company used for the offering.

| | | What additional filings with the SEC are required after the offering? |
|---------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------|
| Which Tier did the company use? | Tier 1 | Companies are required to provide information about the securities sold by filing an exit report on Form 1-Z. |
| | Tier 2 | Companies are required to file annual, semiannual, and current reports and, in certain circumstances, an exit report on Form 1-Z. |

What about state law requirements?

In addition to the federal securities laws, companies offering and selling securities under Regulation A may be subject to [state law requirements](#).

Companies issuing securities under Tier 1 must register their offering or rely on a state law exemption from registration in any state in which they seek to offer or sell securities.

Companies issuing securities under Tier 2 are not required to register their offering or rely on a state law exemption from registration with state securities regulators; however, all companies relying on Regulation A remain subject to state law enforcement and antifraud authority.

Additionally, companies may be subject to filing fees and notice filing requirements in the states in which they intend to offer or sell securities under Regulation A.

Does a Regulation A offering make my company a “reporting company”?

A company that has issued securities under Regulation A may *elect* to [become a reporting company](#) by registering that class of securities with the SEC.

In some cases, a company may be required to register a class of securities with the SEC and become a reporting company. However, Regulation A conditionally exempts securities issued in a Tier 2 offering from the mandatory registration requirements if the company complies with [certain requirements](#).

Find more information about Regulation A at www.sec.gov/resources-small-businesses/exempt-offerings.

Have suggestions on additional educational resources? Email smallbusiness@sec.gov.

ENGAGE WITH US:



www.sec.gov/oasb



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