



Effectiveness of Registration Statements with Mandatory Arbitration Provisions

On Sept. 17, 2025, the Securities and Exchange Commission (SEC) issued a policy statement to inform the public that the presence of a provision requiring arbitration of investor claims arising under the federal securities statutes will not impact decisions regarding whether to accelerate the effectiveness of a registration statement. Accordingly, when making such decisions, the staff will focus on the adequacy of the registration statement's disclosures, including disclosure regarding the arbitration provision.

Additionally, the SEC amended its Rules of Practice to add to the list of actions by delegated authority for which there will no longer be an automatic stay when a delegated action is reviewed by the Commission, including the acceleration of a registration statement's effectiveness and qualification of an offering statement under Regulation A.

Background

Section 8(a) of the Securities Act of 1933 (Securities Act) provides that a Securities Act registration statement becomes effective automatically 20 calendar days after it is filed. Securities Act Rule 473(a) permits an issuer to include a "delaying amendment" on the front page of a registration statement to extend the effective date to: (1) 20 calendar days after the issuer complies with Rule 473(b); or (2) an indefinite period that will end when the Commission grants the issuer's request to accelerate the effective date of the registration statement.

The staff, acting pursuant to its delegated authority, will accelerate the effective date of a registration statement if it meets the criteria under section 8(a) and Rule 461. These criteria are primarily focused on ensuring complete and adequate disclosure of material information to the public and require consideration of "the public interest and the protection of investors." The Commission has not previously publicly spoken on how these criteria apply in considering acceleration of a registration statement that includes a mandatory arbitration provision for investor claims arising under the federal securities laws (issuer-investor mandatory arbitration provision).

During the registration process, issuers have periodically asked whether an issuer-investor mandatory arbitration provision would impact the acceleration of the effectiveness of their registration statement. This policy statement provides the Commission's view that, based on the Supreme Court's current interpretation and application of the Federal Arbitration Act (FAA), the existence of such a provision will not impact determinations whether to accelerate the effective date of a registration statement.

Policy Statement

After considering the Supreme Court's jurisprudence relating to the FAA and analyzing case-law involving the intersection of the FAA and federal statutes, [this policy statement](#) concludes that, in the context of issuer-investor mandatory arbitration provisions, the federal securities statutes do not override the FAA's policy favoring arbitration. Because the federal securities statutes do not override the FAA when it applies to an issuer-investor mandatory arbitration provision, the existence of such a

provision may not be considered under section 8(a)'s public interest and investor protection standard for accelerating registration statements and will not impact determinations whether to accelerate the effective date of a registration statement. When considering acceleration requests pursuant to section 8(a) and Rule 461, the staff will focus on the adequacy of the registration statement's disclosures, including disclosure regarding issuer-investor mandatory arbitration provisions.

Rules of Practice

The Commission also [amended its Rules of Practice](#). These amendments expand the list of actions made by delegated authority for which there will be no automatic stay when a delegated action is reviewed by the Commission to include declaring registration statements effective and qualifying offering statements. An automatic stay of the staff's determination is unnecessary and disruptive to the registration or qualification process. These amendments will provide issuers, investors, and other market participants with greater predictability and certainty in the registration or qualification process.

What's Next?

This policy statement and the amendments to the Rules of Practice will be effective upon publication in the Federal Register.

Additional Information:

Visit sec.gov to find for more information about the adopted amendments and the full text of the final rules.