

U.S. Securities and Exchange Commission  
**SMALL BUSINESS CAPITAL FORMATION ADVISORY COMMITTEE**

December 13, 2019

The Honorable Jay Clayton  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1070

On behalf of the SEC Small Business Capital Formation Advisory Committee, we are pleased to submit the following recommendation approved at the Committee's December 11, 2019 telephonic meeting. During that meeting, the Committee continued its discussion of topics covered in the Commission's [Concept Release on Harmonization of Securities Offering Exemptions](#), Release No. 33-10649 (June 18, 2019).

With respect to Regulation Crowdfunding, the Committee recommends that the Commission:

- 1) Streamline and tier the compliance obligations, including at what offering amounts issuer reporting and financial statement audit and review obligations are triggered;
- 2) Raise the \$1.07 million per year offering limit;
- 3) Remove limits on accredited investors' investment amount;
- 4) Change investment limits to apply on a per investment basis rather than using annual investment limits, and calculate those limits based upon the greater, rather than lesser, of income or net worth;
- 5) Allow eligible investors to invest through special purpose vehicles; and
- 6) Allow greater flexibility in portal compensation.

Respectfully submitted on behalf of the Committee,



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Committee Chair



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Committee Vice Chair

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