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## sec says "smaller is bigger"

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Melanie Figueroa and Gabrielle Napolitano

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### **SEC Proposes Welcome Expansion of "Smaller Reporting Company"**

#### **Definition**

To the delight of many who have been lobbying the Securities and Exchange Commission (the "SEC") over recent years to increase the pool of public companies that can qualify for the scaled disclosure requirements available to smaller registrants, the SEC is seeking comments for proposed amendments that will expand the definition of a "smaller reporting company." The proposals described in a release issued by the SEC on June 26, 2016, begin to address the SEC's mandate under the 2015 FAST Act to revise Regulation S-K to further scale disclosure for smaller registrants and provide for amendments to Rule 405 under the Securities Act of 1933, Rule 12b-23 under the Securities Exchange Act of 1934 and Item 10(f)5 of Regulation S-K. In each case the definition of a "smaller reporting company" issuer eligible for scaled disclosure is expanded from less than \$75 million in public float as of the last business day of such issuer's most recently completed second fiscal quarter to less than \$250 million in public float or for those issuers without a public float and annual revenues of less than \$50 million during the most recently completed fiscal year to annual revenues of less than \$100 million in the prior fiscal year.

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