



sec proposes rule changes that will enable entrepreneurs to raise more capital at lower costs

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This week, in a nearly 300-page release, the Securities and Exchange Commission proposed significant changes to its rules applicable to online equity crowdfunding and other securities offerings that are exempt from SEC registration.

These kinds of offerings generally are most advantageous to smaller and emerging companies that have limited funds to spend on raising capital. Last year, exempt securities offerings accounted for an estimated \$2.7 trillion (69.2%) of new capital, compared to \$1.2 trillion (30.8%) raised through SEC-registered offerings.

If adopted, the proposed changes will enable entrepreneurs to raise more capital through exempt offerings and simplify certain complex rules, thereby reducing legal costs associated with funding a business. The changes also will continue provisions to protect investors, especially individual retail investors...

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