
SEC Proposes to Exclude Certain Low-Revenue Issuers from Accelerated Filer Definitions

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On May 9, 2019, the Securities and Exchange Commission (“SEC”) proposed amendments (the “proposed amendments”) to the accelerated filer and large accelerated filer definitions in Rule 12b-2 under the Securities Exchange Act of 1934 (“Exchange Act”). If the proposed amendments are adopted, an issuer that qualifies as a Smaller Reporting Company (“SRC”) and had less than \$100 million revenues in the most recent fiscal year for which audited financial statements are available would be excluded from the definitions of accelerated filer and large accelerated filer. As a result of this status change, these issuers would have more time to file their periodic reports and would no longer be required to obtain an attestation on their internal control over financial report (“ICFR”) from an independent outside auditor. The proposal also includes revisions to the transition thresholds for exiting accelerated filer and large accelerated filer status.

Attached is the memorandum which discusses the amended rules and the SEC’s requirements.

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