

SEC Expands Access to Private Offerings

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On August 26, the Securities and Exchange Commission expanded the definitions of “accredited investor” in Regulation D and of “qualified institutional buyer” in Rule 144A, thereby allowing a larger pool of investors to have access to private investments, including in hedge funds, private equity funds and venture capital funds. While the previous definition of “accredited investor” relied on an individual’s net worth to reflect financial sophistication, the new rules reflect the SEC’s view that certain experience and knowledge may also demonstrate financial sophistication.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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