
SEC Proposes New Rules and Amendments Relating to SPACs

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On March 30, 2022, the Securities and Exchange Commission (“SEC”) [proposed new rules and amendments](#) relating to special purpose acquisition companies (“SPACs”). Since 2020, the U.S. securities markets have experienced an unprecedented surge in initial public offerings (“IPOs”) of SPACs. In the wake of this boom, some commentators have expressed concerns about, among other things, various aspects of the SPAC structure, as well as the adequacy of the disclosures provided to investors in SPAC transactions as compared to traditional IPOs. In response to such concerns, the SEC’s proposal aims to (i) enhance existing disclosure requirements and investor protections in SPAC IPOs and subsequent business combinations with private operating companies (so-called “de-SPAC transactions”); (ii) address the treatment under the Securities Act of 1933 (the “Securities Act”) of business combination transactions involving shell companies generally; (iii) update previous guidance on the use of projections in SEC filings; and (iv) assist SPACs in assessing when they may be subject to regulation under the Investment Company Act of 1940 (the “Investment Company Act”).

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