

## **Proposed Amendments to SEC Rules that Capital Markets Lawyers Will Want to Track: Expanding the Definitions of “Qualified Institutional Buyer” and “Accredited Investor” and Updating Auditor Independence Requirements**

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On December 18, 2019, the Securities and Exchange Commission (“SEC”) proposed amendments to the definitions of “qualified institutional buyer” under Rule 144(a)(1) of the Securities Act of 1933 (the “Securities Act”) and “accredited investor” under Rule 501(a) of Regulation D under the Securities Act. The proposed amendments would make certain changes to the definition of “qualified institutional buyer” to add additional entity types that meet the \$100 million threshold of the rule and to create consistency between entities that are eligible for qualified institutional buyer (“QIB”) status and those eligible for accredited investor (“AI”) status. The SEC explained that the purpose of the proposed changes is to better identify investors with certain knowledge and expertise who would not need the protection of registration under the Securities Act.

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