

Securities Regulation Daily Wrap Up, TOP STORY—SEC grants COVID-19 relief to small offering issuers, muni advisers, and new EDGAR filers, (Mar. 27, 2020)

Securities Regulation Daily Wrap Up

<http://resource.stg.cch.com/resource/scion/document/default/sld016e9c667e7d8d1000bb49005056881d2302?cfu=Legal&cpid=WKUS-Legal-Cheetah&uAppCtx=cheetah>

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The Commission's orders temporarily extend deadlines for certain issuer filings due under Regulations A and Crowdfunding and push back the annual report filing for municipal advisers affected by the coronavirus pandemic.

The SEC has announced the granting of additional temporary relief to market participants whose operations may be affected by the rapidly spreading of the coronavirus disease (COVID-19). The Commission adopted temporary final rules that extend the filing deadlines for specified reports and forms that companies must file under Regulation A and Regulation Crowdfunding and lift the notarization requirement for new EDGAR filers. In a separate order, the SEC provided municipal advisers with an additional 45 days to file their annual updates on Form MA (*Relief for Form ID Filers and Regulation Crowdfunding and Regulation A Issuers Related to Coronavirus Disease 2019 (COVID-19)*), [Release No. 33-10768](#); *Order Under Section 15B of the Securities Exchange Act of 1934 Granting an Exemption for Municipal Advisors from Specified Provisions of the Securities Exchange Act and Rule 15Ba1-5(A)(1) Thereunder*, [Release No. 34-88491](#), March 26, 2020).

Filings under Regulations A and Crowdfunding. The Commission [notes](#) that the current outbreak of COVID-19 may present challenges to entities and their representatives in timely meeting certain filing obligations under the federal securities laws. Accordingly, the agency's temporary final rules provide Regulation A and Regulation Crowdfunding issuers with an additional 45 days to file certain disclosure reports that would have been due between March 26, 2020, and May 31, 2020, subject to certain conditions. Companies relying on this relief must promptly disclose this reliance to investors. Moreover, when the company does make the required filing, it must disclose its reliance on the temporary rules and state the good faith reasons why it could not file the report or form on a timely basis.

For Regulation Crowdfunding, the temporary relief applies to annual reports on Form C-AR, progress updates on Form C-U, and termination of reporting on Form C-TR. For Regulation A, the relief applies to post-qualification amendments required at least every 12 months after the qualification date to include updated financial statements, annual reports on Form 1-K, semi-annual reports on Form 1-SA, special financial reports on Forms 1-K or 1-SA, current reports on Form 1-U, and exit reports on Form 1-Z.

Notarization on Form ID. In order to use the SEC's EDGAR system to make filings, an applicant must submit a Form ID online and then upload a manually signed and notarized copy of the form as a PDF. Several filers, however, have informed the Commission that they are encountering difficulty in obtaining the required notarization because their employees are telecommuting or are otherwise unable to access a notary public due to conditions created by COVID-19.

To address this situation, the SEC's temporary rule that provides relief from the notarization requirement from March 26, 2020 through July 1, 2020. To obtain the temporary relief, the filer must indicate on its manually signed Form ID that it could not provide the required notarization due to circumstances relating to COVID-19. The filer must then a PDF copy of the notarized, manually signed document within 90 days of obtaining an EDGAR account.

Annual updates for municipal advisers. To help remedy potential COVID-19-related compliance issues faced by municipal advisers, the SEC has issued a temporary exemptive order that grants affected municipal advisers with an additional 45 days to file their annual updates to Form MA. The order applies to Form MA filings that would have otherwise been due between March 26, 2020 and June 30, 2020. To obtain the exemptive relief, the municipal adviser must: (1) be unable to meet the filing deadline due to circumstances related to current or potential effects of COVID-19; and (2) provide a brief description of the reasons why it could not timely file the update to Form MA.

The releases are [No. 33-10768](#) and [No. 34-88491](#).

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