

Practice Update

The Gray Area Becomes a Bit Less Gray: SEC Adopts Amendments to Accelerated and Large Accelerated Filer Definitions

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In [December](#), we noted the added complexity due to the definitions of accelerated filer and large accelerated filer remaining unchanged when the Securities and Exchange Commission (the “Commission”) adopted [amendments](#) to raise the thresholds in the smaller reporting company definition. Well, the gray area just became a bit less gray. On March 12, 2020, the Commission adopted [amendments to the accelerated filer and large accelerated filer definitions](#) to more appropriately tailor the types of issuers that are included in the definitions.

When effective, the amendments will:

- Exclude from the accelerated and large accelerated filer definitions an issuer that is eligible to be a smaller reporting company and had annual revenues of **less than \$100 million** in the most recent fiscal year for which audited financial statements are available;
- Exclude business development companies from the accelerated and large accelerated filer definitions in analogous circumstances;
- Increase the transition thresholds for an accelerated and a large accelerated filer becoming a non-accelerated filer from **\$50 million to \$60**

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million and for exiting large accelerated filer status from **\$500 million to \$560 million**;

- Add a revenue test to the transition thresholds for exiting both accelerated and large accelerated filer status; and
- Add a check box to the cover pages of annual reports on Forms 10-K, 20-F, and 40-F to indicate whether an internal controls over financial reporting auditor attestation is included in the filing.

The table below from the Final Rule summarizes how the definitions of Non-Accelerated Filer, Accelerated Filer, Large Accelerated Filer and Smaller Reporting Company will fit together:

Relationship between SRCs and Non-Accelerated, Accelerated, and Large Accelerated Filers under the Final Amendments		
Status	Public Float	Annual Revenues
SRC and Non-Accelerated Filer	Less than \$75 million	N/A
	\$75 million to less than \$700 million	Less than \$100 million
SRC and Accelerated Filer	\$75 million to less than \$250 million	\$100 million or more
Accelerated Filer (not SRC)	\$250 million to less than \$700 million	\$100 million or more
Large Accelerated Filer (not SRC)	\$700 million or more	N/A

The amendments will become effective 30 days after publication in the Federal Register and apply to annual report filings due on or after the effective date.

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