

## Practice Update

# New Accredited Investor Definition Took Effect Tuesday

December 8, 2020

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On August 26, 2020, the Securities and Exchange Commission (SEC) announced the adoption of amendments to expand the definition of “accredited investor” and “qualified institutional buyer”. The amendments, published in the Federal Register on October 9, 2020, became effective on Tuesday, December 8, 2020.

As discussed in our recent [Practice Update](#), the intention of the amendments is to allow more investors to participate in investment opportunities not generally available to the public. Fund sponsors and managers should revise their fund offering documents and subscription booklets to include the updated definitions, particularly as they seek to raise funds through private securities offerings. In addition, fund managers who are also registered investment advisers should consider whether their compliance policies and procedures need to be updated to reflect the amended definitions.

If you believe your fund offering documents and/or compliance policies and procedures require updating, or you would like additional information, please contact Paul Foley, Chair, Investment Management Practice, at [paul.foley@akerman.com](mailto:paul.foley@akerman.com) or 336 296 7101.

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### Related People

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