



U.S. Securities and Exchange Commission
**Small Business Capital Formation
Advisory Committee**

November 16, 2022

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1070

Dear Chair Gensler:

On behalf of the SEC Small Business Capital Formation Advisory Committee, we are pleased to submit the below recommendations approved at the Advisory Committee's October 13, 2022 meeting, where the Committee explored the market for companies going public.

The Committee discussed the current IPO market and trends, various recent and pending Commission rulemakings, and macroeconomic factors impacting companies' decisions to go public. Our recommendations below seek to promote strong and effective U.S. public markets that allow capital-intensive companies to build their businesses and that balance the needs of companies and investors alike.

- 1. Harmonization.** The Committee encourages the Commission to harmonize access to public capital among the different pathways for becoming a public company (*i.e.*, an IPO, SPAC and direct listing), and as between Emerging Growth Companies (EGCs) and non-EGCs, to create a more harmonious application of the '33 Act among those pathways and to reduce regulatory arbitrage.
- 2. Clarity.** In addition to a need for harmonization, the Committee believes there is a lack of clarity regarding how the Staff is interpreting some of the existing federal securities laws, specifically in the context of SPACs, and encourages the Commission to clearly state and interpret the rules.
- 3. Swift Action.** The Committee respectfully reiterates our prior [May 2022](#) SPAC-related recommendations regarding the Commission's proposed rules on Special Purpose Acquisition Companies, Shell Companies and Projections (Release No. 33-11048), and urges the Commission to swiftly move forward with SPAC rulemaking as many investors and companies believe that SPAC mergers are not a viable path for accessing capital due, in large part, to the uncertainty around the SEC's rulemaking.

Respectfully submitted on behalf of the Advisory Committee,

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