



# What pathways are available to raise capital from investors?

A business may not offer or sell [securities](#) unless the offering has been registered with the SEC or falls within an exemption from registration.

## Exempt Offerings

Offerings conducted pursuant to an exemption from registration are often referred to as [exempt offerings](#). There are multiple exemptions available for small businesses looking to raise capital from investors.

### Rule 506(b) Private Placements



Allow companies to raise unlimited capital from investors with whom the company has a relationship and who meet certain wealth thresholds or have certain professional credentials. A company cannot use [general solicitation](#) in a 506(b) private placement.

### Regulation A Offerings



Sometimes called a “mini-IPO.” Allow eligible companies to raise up to \$20 million in a 12-month period in a Tier 1 offering and up to \$75 million in a 12-month period in a Tier 2 offering through a process similar to, but less extensive than, a registered offering.

### Rule 506(c) General Solicitation Offerings



Allow companies to raise unlimited capital by broadly soliciting investors who meet certain wealth thresholds or have certain professional credentials.

### Intrastate Offerings



Allow companies to raise capital within a single state according to [state law](#). Many states limit the offering to between \$1 million and \$5 million in a 12-month period.

### Rule 504 Limited Offerings



Allow companies to raise up to \$10 million in a 12-month period, in many cases from investors with whom the company has a relationship.

### Regulation Crowdfunding Offerings



Allow eligible companies to raise up to \$5 million in investment capital in a 12-month period from investors online via a registered funding portal.

## Registered Public Offerings

A registered public offering is commonly used to describe an offer and sale of securities that has been registered under the Securities Act. Companies must file a registration statement with the SEC and may not sell the securities until the SEC declares the registration statement effective.

### Registered Offerings



Allow companies to raise unlimited capital through initial public offerings or secondary offerings using a [registration statement](#) filed with the SEC.

### Initial Public Offerings



Provide an initial pathway for companies to raise unlimited capital from the general public through a registered offering. After its IPO, the company will be [a public company with ongoing public reporting requirements](#).

Have suggestions on additional educational resources? Email [smallbusiness@sec.gov](mailto:smallbusiness@sec.gov).

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