Regulation D Information and Statistics

In recession investors are looking for better transactions and SME size companies are looking for better access and rates for capital. Is it time for SME's size companies to use Reg D whether for growth, acquisition, merger or just taking some money off the table.

Successful companies going directly to the investor is not unique and larger corporations have been doing it for decades. This is a powerful tool for successful businesses.

A Congressional Report in August 2020 excerpt. (Reg D & A report-congress-regulation.pdf)

"Regulation D Offerings Our analysis of Regulation D offerings is based on available data from electronic filings for 2009 through 2019, except where noted elsewhere.

As a capital-raising tool, Regulation D accounts for a large share of the offering market and provides a robust choice for issuers seeking to raise capital.

Over the past decade, there has been a steady increase in the number of offerings and amounts raised in Regulation D offerings. In 2019, over $1.5 trillion was reported raised under Regulation D. By comparison, during the same timeframe, approximately $1.2 trillion was raised through registered offerings, and just over $1 billion was reported raised under Regulation A during the same timeframe.

Private funds raised more than $11 trillion of the $15.5 trillion sold in Regulation D markets during 2009 through 2019. However, non-fund issuers dominate in terms of number of offerings.

Private funds for which data is available exhibited a strong performance, with significant variation across funds, as shown in greater detail in Section III.B.2. However, this period has also coincided with favorable market performance, resulting in high market portfolio returns. Note: The distinct risk and illiquidity profile of private funds, as well as differences in data sources and methodologies for measuring performance, make direct comparisons with mutual fund and market portfolio returns difficult.

On the basis of our analysis of a small subset of public companies that conducted Regulation D offerings during the timeframe, and in line with prior studies, we find that such companies tend to be smaller, less profitable, and more financially constrained than public companies conducting registered offerings. The companies relying on Regulation D grew faster one year after the offering but had lower profitability and stock returns, compared to public companies undertaking registered offerings."