

SEC Issues Exemptive Relief for Tender Offers for Equity Securities

Global Financial Regulatory Insights on April 17, 2026

On April 16, 2026, the SEC's Division of Corporation Finance issued an exemptive order permitting certain tender offers for equity securities to remain open for as few as 10 business days rather than the current 20-business-day minimum under Exchange Act Rules 13e-4(f)(1)(i) and 14e-1(a). The Division said the relief is intended to address market inefficiencies, reflect technological developments and reduce exposure to market fluctuations, while remaining consistent with investor protection goals. The order separately addresses tender offers for securities of reporting companies and private companies, respectively. The Division issued the order under delegated authority granted by the Commission.

Public Securities

The exemptive order permits a tender offer for a class of equity security of a reporting company to remain open for a minimum offering period of 10 business days, provided that certain conditions are met, including, among other things, that the offer (i) is subject to the provisions of Regulation 14D or Rule 13e-4 under the Exchange Act; (ii) involves only cash consideration at a fixed price; (iii) is not subject to Rule 13e-3 under the Exchange Act, the going-private rule; and (iv) is not made in reliance on cross-border exemptions under the Exchange Act. In order to rely on the exemption in a tender offer subject to Regulation 14D, the offer must be made pursuant to a negotiated merger agreement or similar business combination agreement, be made for all outstanding securities of the subject class, and be accompanied by a Schedule 14D-9 filed and disseminated by 5:30 p.m. Eastern Time on the first business day after commencement. The exemptive order also imposes procedural conditions, including prompt public announcement of the offer with a hyperlink to materials and advance notice requirements for certain changes to the offer terms.

One important limitation to the exemption is that if a competing tender offer is publicly announced after commencement of an initial offer utilizing the 10-business-day exemption, the initial offer must be extended so that it remains open for at least 20 business days from commencement.

Private Securities

The exemptive order also permits an issuer tender offer for any class of equity security of a non-reporting company to remain open for a minimum offering period of 10 business days, provided, among other things, that (i) the offer is made for equity securities of an issuer that does not have a class of securities registered under Section 12 of the Exchange Act and is not required to file reports under Section 15(d) of the Exchange Act; (ii) the offer is made by the issuer of the securities sought in the tender offer (or a wholly owned subsidiary thereof); and (iii) the consideration is cash at a fixed price.

The Division of Corporation Finance emphasized that the relief does not affect the application of the federal securities laws' anti-fraud and anti-manipulation provisions, including Exchange Act Sections 10(b) and 14(e), and that the staff may reconsider, modify or withdraw the relief if material issues emerge.

The full text of the order is available [here](#).

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