Hughes Hubbard & Reed

SEC Adopts New SPAC Rules Expanding Disclosure Requirements

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Executive Summary

On January 24, 2024, the Securities and Exchange Commission (the "SEC"), in an extensive 581-page release, adopted new rules and amendments (the "Final Rules")[1] to require new disclosures designed to implement heightened investor protections in initial public offerings ("IPOs") by special purpose acquisition companies ("SPACs") and in SPAC business combination transactions ("de-SPAC transactions"). The Final Rules were adopted nearly two years after the SEC first proposed them in March 2022 (the "Proposed Rules"),[2] when the SPAC market was still booming.

The Final Rules require, among other things, additional disclosures about SPAC sponsors, conflicts of interest, sources of dilution, and other aspects of de-SPAC transactions. Further, the Final Rules address issues relating to projections made by SPACs and their target companies, including the Private Securities Litigation Reform Act of 1995 (the "PSLRA") safe harbor for forward-looking statements and the use of projections in SEC filings and de-SPAC transactions. The Final Rules diminish or eliminate some of the advantages de-SPAC transactions have been perceived to have over traditional IPOs.

In announcing the adoption of the Final Rules, SEC Chair Gary Gensler stated that "[j]ust because a company uses an alternative method to go public does not mean that its investors are any less deserving of time-tested investor protections."[3] Mr. Gensler further stated that the Final Rules "will help ensure that the rules for SPACs are substantially aligned with those of traditional IPOs, enhancing investor protection through three areas: disclosure, use of projections, as well as issuer obligations....Taken together, these steps will help protect investors by addressing information asymmetries, misleading information, and conflicts of interest in SPAC and de-SPAC transactions."[4] While the Final Rules are expansive, it is noteworthy that many of the new disclosure obligations codified through the Final Rules are merely reflective of current market practices, shaped in large part by the SEC review process.

Background

SPAC IPOs represented a significant share of the U.S. IPO market in recent years. After a dramatic surge in the number of initial public offerings by SPACs in 2020 and 2021, when more than half of all IPOs were conducted by SPACs, the SPAC

IPO market has recently gone cold. There were only 31 SPAC IPOs last year, as compared to 613 at the height of SPAC fundraising in 2021.

During the SPAC boom, the SEC raised investor protection concerns about the SPAC structure and the increasing use of de-SPAC transactions by which private operating companies went public. The SEC also cited concerns that projections for SPAC targets were sometimes prepared or used without a reasonable basis in de-SPAC transactions. The SEC also noted that SPACs may be investment companies that are subject to the requirements of the Investment Company Act.

Final Enhanced Disclosures

The Final Rules were adopted pursuant to a new Subpart 1600 of Regulation S-K that sets forth specialized disclosure requirements for SPAC IPOs and de-SPAC transactions, including the following:

SPAC Sponsors (Final Item 1603)

Under Item 1603(a), in both registered offerings (including IPOs) by SPACs and in de-SPAC transactions, disclosure will now be required on:

- the name, form of organization, and general character of business of the SPAC sponsor;
- any arrangements or other agreements between the SPAC sponsor and the SPAC, its officers, directors, or affiliates with respect to determining whether to proceed with a de-SPAC transaction, as well as any arrangements or other agreements between the SPAC sponsor and unaffiliated security holders regarding the redemption of outstanding securities;
- the experience, material roles and responsibilities of the SPAC sponsor, its affiliates and any promoters;
- transfers of SPAC securities by the SPAC sponsor, its affiliates, and promoters;
- the controlling persons of the SPAC sponsor and any persons who have direct and indirect material interests in the SPAC sponsor, as well as the nature and amount of their interests (importantly, despite requests from commenters, the SEC did not define what would constitute "material" interest in a SPAC sponsor);
- in tabular format (to the extent practicable), the material terms of any lock-up agreements with the SPAC sponsor and its affiliates;
- the nature and amounts of all compensation that has been or will be paid to the SPAC sponsor, its affiliates and any promoters for all services rendered in all capacities to the SPAC and its affiliates, as well as the nature and amounts of any reimbursements to be paid to the SPAC sponsor, its affiliates and any promoters upon the completion of a de-SPAC transaction; and
- the amount of securities issued or to be issued by the SPAC to the SPAC sponsor, its affiliates, and promoters and the price to be paid for such securities, as well as any mechanisms, such as an anti-dilution provision, to keep the SPAC sponsor ownership at a certain level (or similar mechanisms for affiliates or promoters) and any potential cancellation of shares issued or to be issued to the SPAC sponsor (or its affiliates or promoters). [5]

Conflicts of Interest (Final Item 1603)

Under Item 1603(b), in both registered offerings (including IPOs) by SPACs and in de-SPAC transactions, disclosure will be required of any actual or potential material conflict of interest between (1) the SPAC sponsor or its affiliates, the SPAC's officers, directors, or promoters, or the target company's officers or directors, on the one hand, and (2) unaffiliated security holders of the SPAC, on the other hand, including any conflict of interest that may arise in determining whether to proceed with a de-SPAC transaction and any conflict of interest arising from the manner in which a SPAC compensates its officers, directors or the SPAC sponsor, or the manner in which the SPAC sponsor compensates its officers and directors. [6] Disclosure will also be required of the fiduciary duties each officer and director of a SPAC owes to other companies. [7]

Dilution (Final Items 1602 and 1604)

Additional disclosure about the potential for dilution will be required in registration statements (1) filed by SPACs (including in SPAC IPOs) other than in de-SPAC transactions, and (2) in de-SPAC transactions (e.g., Forms S-4 and F-4), both to include simplified tabular dilution disclosures. [8]

Notably, Final Items 1602(a)(3) and 1604(a)(3) require, on the outside front cover of the prospectus, a statement of (1) the compensation received or to be received by, or (2) the amount of securities issued or to be issued to, the SPAC sponsor, its affiliates, and promoters, and whether this compensation and securities issuance may result in a material dilution of (a) the purchasers' equity interests in the case of SPAC registered offerings (including SPAC IPOs), other than de-SPAC transactions, or (b) the non-redeeming shareholders who hold the securities until the consummation of the de-SPAC transaction in the case of a de-SPAC transaction.

Prospectus Cover Page and Prospectus Summary Requirements (Final Items 1602 and 1604)

In response to concerns about the complexity of disclosures in registration statements filed by SPACs for IPOs and for de-SPAC transactions, certain information will now be required to be provided on the prospectus cover page and in the prospectus summary in plain English.

In registered offerings (including IPOs) by SPACs other than for de-SPAC transactions, the prospectus cover page will now need to include, among other things, (1) the time frame for the SPAC to consummate a de-SPAC transaction, (2) SPAC sponsor compensation, (3) dilution (including simplified tabular disclosure) and (4) conflicts of interest. [9]

Additionally, for registered offerings (including IPOs) by SPACs other than for de-SPAC transactions, under the new Final Item 1602(b), the following information will be required in the prospectus summary:

- the process by which a potential business combination candidate will be identified and evaluated;
- whether shareholder approval is required for the de-SPAC transaction;
- the material terms of the trust or escrow account, including the amount of gross offering proceeds that will be placed in such account;
- the material terms of the securities being offered, including redemption rights;
- whether the securities being offered are the same class as those held by the SPAC sponsor and its affiliates;
- the length of the time period during which the SPAC intends to consummate a de-SPAC transaction, and its plans if it does not do so, including whether and how the time period may be extended, the consequences to the SPAC sponsor of not completing an extension of this time period, and whether shareholders will have voting or redemption rights with respect to an extension of time to consummate a de-SPAC transaction;
- any plans to seek additional financing and how such additional financing might impact shareholders;
- tabular disclosure of the SPAC sponsor's compensation and the extent to which material dilution may result from such compensation; and
- material conflicts of interest, including any material conflict of interest that may arise in determining whether to proceed with a de-SPAC transaction and any material conflict of interest arising from the manner in which the SPAC compensates a SPAC sponsor, officers, and directors, or a SPAC sponsor compensates its officers and directors. [10]

In de-SPAC transactions, SPACs will be required to include on the prospectus cover page, among other things, (1) material financing transactions, (2) the SPAC sponsor's compensation, (3) dilution and (4) conflicts of interest. SPACs will also be required to include, in the prospectus summary, the following information:

- the background and material terms of the de-SPAC transaction;
- material conflicts of interest;
- tabular disclosure on the SPAC sponsor's compensation and dilution;
- financing transactions in connection with de-SPAC transactions; and

- redemption rights.[11]

De-SPAC Transactions (Final Item 1605)

Specific disclosure will now be required on the background, material terms and effects of the de-SPAC transaction, including:

- a summary of the background of the de-SPAC transaction, including, but not limited to, a description of any contacts, negotiations, or transactions that have occurred concerning the de-SPAC transaction;
- a brief description of any related financing transaction, including any payments from the SPAC sponsor to investors in connection with the financing transaction;
- a "reasonably detailed discussion" of the reasons of the SPAC and the target company for engaging in the particular de-SPAC transaction and for the structure and timing of the de-SPAC transaction and any related financing transaction;
- where the shares of a SPAC are being exchanged for shares of a new holding company or the target company in a de-SPAC transaction, an explanation of any material differences in the rights of SPAC and target company security holders as compared with security holders of the post-business combination company as a result of the de-SPAC transaction; and
- disclosure regarding the accounting treatment and the federal income tax consequences of the de-SPAC transaction to the SPAC, the target company, and their respective security holders.

In addition, disclosure will be required of the effects of the de-SPAC transaction and any related financing transaction on the SPAC and its affiliates, the SPAC sponsor and its affiliates, the target company and its affiliates, and unaffiliated security holders of the SPAC.[12] Disclosure will also be required of material interests held by the SPAC sponsor or the SPAC's officers or directors, in the de-SPAC transaction or any related financing transaction, including any fiduciary or contractual obligations to other entities and any interest in, or affiliation with, the target company.[13]

SPACs will also be required to disclose whether or not security holders are entitled to any redemption or appraisal rights and, if so, to provide a summary of such rights. If there are no redemption or appraisal rights available for security holders who object to the de-SPAC transaction, the Final Rules require disclosure of any other rights that may be available to security holders under the law of the jurisdiction of organization.[14]

Board Determination about the De-SPAC Transaction (Item 1606)

In response to commenters' concerns, the SEC modified and diminished the scope of Item 1606(a) from the Proposed Rules, which would have required a statement from the SPAC to inform investors as to whether it reasonably believes that the de-SPAC transaction and any related financing transaction are fair (or unfair) to the SPAC's unaffiliated security holders, as well as a discussion of the bases for this statement.

Commenters pushed back on the proposed requirement, stating that it was overly burdensome and would potentially necessitate that SPACs obtain third-party fairness opinions. In response, the SEC modified the rule to require that only SPACs whose boards of directors are required by law to determine whether the de-SPAC transaction is advisable will be required to disclose that determination. Under this rule, Delaware-incorporated SPACs will have to disclose such determinations. See Section 251(b) of the Delaware General Corporation Law ("The board of directors…shall adopt a resolution approving an agreement of merger or consolidation and declaring its advisability.").

Additionally, SPACs will be required to disclose whether any director voted against, or abstained from voting on, approval of the de-SPAC transaction, the identity of any dissenting or abstaining directors and, if known after making a reasonable inquiry, the reasons for such director's abstention.[15]

Under Final Items 1606(c) through 1606(e), disclosure will also be required on (1) whether the de-SPAC transaction is structured so that approval of at least a majority of unaffiliated security holders is required; (2) the involvement of any unaffiliated representative acting on behalf of unaffiliated security holders; and (3) whether the de-SPAC transaction was approved by a majority of the directors (or members of similar governing body) of the SPAC who are not employees of the SPAC. [16]

Reports, Opinions and Appraisals (Item 1607)

Proposed Item 1607 would have required disclosure about whether or not the SPAC or its sponsor has received any report, opinion, or appraisal obtained from an outside party relating to the consideration or the fairness of the consideration to be offered to security holders or the fairness of the de-SPAC transaction or any related financing transaction to the SPAC, the sponsor or security holders who are not affiliates. Final Item 1607 modifies the Proposed Rule to only require a disclosure if the SPAC or SPAC sponsor received any report, opinion (other than an opinion of counsel) or appraisal from an outside party or unaffiliated representative materially relating to a determination as to the advisability of the de-SPAC transaction or a similar determination under Item 1606(a). Where no report, opinion, or appraisal was received, no such disclosure is required. [17] If such materials are received, the SPAC will be required to disclose:

- the identity, qualifications, and method of selection of the outside party and/or unaffiliated representative;
- any material relationship between (1) the outside party, its affiliates, and/or unaffiliated representative, and (2) the SPAC, its sponsor and/or their affiliates, that existed during the past two years or is mutually understood to be contemplated and any compensation received or to be received as a result of the relationship;
- whether the SPAC or the SPAC sponsor determined the amount of consideration to be paid to the target company or its security holders, or the valuation of the target company, or whether the outside party recommended the amount of consideration to be paid or the valuation of the target company; and
- a summary concerning the negotiation, report, opinion or appraisal, which must include a description of the procedures followed; the findings and recommendations; the bases for and methods of arriving at such findings and recommendations; instructions received from the SPAC or its sponsor; and any limitation imposed by the SPAC or its sponsor on the scope of the investigation. [18]

All such reports, opinions or appraisals must be filed as exhibits to the SEC filing for the de-SPAC transaction. [19]

Extending Traditional IPO Protections to SPACs

As private operating companies have increasingly used de-SPAC transactions to go public, investors may have received disclosures about the future public company that differ from, or are not presented in the same manner as, those that would typically be received in connection with a traditional IPO. Some of the investor protections available in a traditional IPO have either not been available or were pared down in a de-SPAC transaction. The Final Rules provide investors with disclosures and liability protections comparable to those in a traditional firm commitment IPO.

Aligning Non-Financial Disclosures in De-SPAC Disclosure Documents

If the target company in a de-SPAC transaction is not subject to the reporting requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), disclosure with respect to the target company pursuant to certain items in Regulation S-K will be required in the registration statement or proxy or information statement filed in connection with the de-SPAC transaction. [20] If the target company is a foreign private issuer, disclosure may be provided in accordance with certain items of Form 20-F, [21] consistent with disclosure that could be provided by the issuer in an IPO. The additional information will be available to investors prior to the inception of trading

of the post-business combination company's securities on a national securities exchange, rather than being required in a "Super 8-K" or "Super 20-F" (which is due within four business days after the completion of the de-SPAC transaction).

Minimum Dissemination Period

The Final Rules require that prospectuses and proxy and information statements filed for de-SPAC transactions be distributed to shareholders no later than the lesser of (1) 20 calendar days prior to the date on which the meeting of security holders is to be held or action is to be taken in connection with the de-SPAC transaction, or (2) the maximum period for disseminating such disclosure documents permitted under the applicable laws of the SPAC's jurisdiction of incorporation or organization. [22]

Target Company as Co-Registrant to Form S-4 or F-4

Under the prior rules, when a SPAC offered and sold its own securities in a registered de-SPAC transaction, only the SPAC, its principal executive officer or officers, its principal financial officer, its controller or principal accounting officer, and at least a majority of its board of directors were required to sign the registration statement for the transaction. Accordingly, none of the target company and its officers and directors signed the registration statement, which contains disclosure about the target company's business and financial results. This may allow target company personnel to avoid signatory liability under Section 11 of the Securities Act of 1933, as amended (the "Securities Act"), which liability would otherwise have attached if the target company had gone public through a traditional IPO.

The Final Rules amend Forms S-4 and F-4 to require that the SPAC and the target company be treated as co-registrants when these registration statements are filed by the SPAC in connection with a de-SPAC transaction. [23] Under the Final Rules, the names of all co-registrants will be required to appear on the cover page and the target company will be a co-registrant, not merely a signatory, to the registration statement.

Signature instructions to these forms will be amended to make the additional signatories, including the principal executive officer, principal financial officer, controller/principal accounting officer, and a majority of the board of directors or persons performing similar functions of the target company, liable (subject to a due diligence defense for all parties other than the SPAC and the target company) for any material misstatements or omissions in the Form S-4 or Form F-4.

The SEC believes that this change will, among other things, benefit investors by increasing the quality and reliability of the disclosure provided to investors in connection with de-SPAC transactions by creating strong incentives for such additional signing persons (among others who would have liability under Section 11 as a result of these requirements, such as non-signing directors) to review more closely the disclosure about the target company and to conduct thorough diligence for de-SPAC transactions and related registration statements. [24]

Re-Determination of Smaller Reporting Company Status

Smaller reporting companies are registrants that are eligible for scaled disclosure requirements in Regulation S-K and Regulation S-X and in various forms under the Securities Act and the Exchange Act. [25] Smaller reporting company status is determined at the time of filing an initial registration statement under the Securities Act or Exchange Act for shares of common equity and is re-determined on an annual basis. Currently, most SPACs qualify as smaller reporting companies, and a post-business combination company after a de-SPAC transaction is permitted to retain this status until the next annual determination date when a SPAC is the legal acquirer of the private operating company in a de-SPAC transaction. The absence of a re-determination of smaller reporting company status upon the completion of these de-SPAC transactions permits certain post-business combination companies to avail themselves of scaled-down disclosure and other accommodations when they otherwise would not have qualified as a smaller reporting company had they become public companies through a traditional IPO.

Under the Final Rules, smaller reporting company status will be re-determined following the consummation of a de-SPAC transaction and before the post-business combination company files its first Form 10-Q or Form 10-K, with the public float measured as of a date within four business days after the consummation of the de-SPAC transaction and the revenue threshold determined by using the annual revenues of the de-SPAC target as of the most recently completed fiscal year for which audited financial statements are available. Pursuant to the Final Rules, the window to calculate the public float threshold following a de-SPAC transaction will begin the first business day after the day of closing of the de-SPAC transaction and end four business days later (on the due date for the Form 8-K or Form 10 information that the new combined company registrant is required to file after the completion of a de-SPAC transaction.

The SEC believes that this shorter window will allow for a more accurate reflection of a post-business combination company's public float in view of the limited trading history of the common equity securities of the post-business combination company following the de-SPAC. In response to commenters, the Final Rules provide that a registrant does not need to reflect its change of status in any filing that is due in the 45-day period following the consummation of the de-SPAC transaction. In contrast, under the Proposed Rules, a registrant would have needed to reflect its new status in the next periodic report that could be due as soon as one day after the filing of the "Super 8-K," which itself is due within four business days after the consummation of the de-SPAC. [26]

PSLRA Safe Harbor

The PSLRA provides a safe harbor for forward-looking statements, protecting a company from liability for forward-looking statements in any private action under the Securities Act or Exchange Act when, among other things, the forward-looking statements are identified as such and are accompanied by meaningful cautionary statements.

The safe harbor is not available, however, when a forward-looking statement is made in connection with an offering by a blank check company, an issuer of penny stock, or an IPO. The SEC had previously defined "blank check company" as a development stage company that is issuing "penny stock" (as defined in Exchange Act Rule 3a51-1), and that has no specific business plan or purpose, or has indicated that its business plan is to merge with or acquire an unidentified company or companies or persons. SPACs that raise more than $5 million in a firm commitment underwritten IPO are excluded from this definition of "blank check company" because they are not selling "penny stock."

To address concerns about the dissemination of forward-looking statements, including projections, in anticipation of de-SPAC transactions, the Final Rules amend the definition of "blank check company" for purposes of the PSLRA to define the term as "a company that has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person." The new definition of blank check company will cover SPACs and so SPACs will not be able to avail themselves of the PSLRA safe harbor. Accordingly, forward-looking statements made in connection with de-SPAC transactions will now be treated in the same manner as those made in traditional IPOs.

Enhanced Projections Disclosure Guidelines

The Final Rules amend Item 10(b) of Regulation S-K to expand and update the SEC's guidance on the presentation of projections of future economic performance in filings to allow investors to better assess the reliability of the projections and whether they have a reasonable basis. As amended, Item 10(b) states that:

- any projected measures that are not based on historical financial results or operational history should be clearly distinguished from projected measures that are based on historical financial results or operational history;
- it generally would be misleading to present projections that are based on historical financial results or operational history without presenting such historical measure or operational history with equal or greater prominence;

- the presentation of projections that include a non-GAAP financial measure should include a clear definition or explanation of the measure, a description of the GAAP financial measure to which it is most directly comparable, and an explanation why the non-GAAP financial measure was used instead of a GAAP measure; and
- such guidance applies to any projections of future economic performance of persons other than the registrant such as the target company in a de-SPAC transaction.

The Final Rules also require disclosure to allow investors to better assess the basis of projections when they are used in de-SPAC transactions. New Item 1609 of Regulation S-K, adopted in the Final Rules, applies only to de-SPAC transactions and requires a registrant to provide:

- with respect to any projections disclosed by the registrant, the purpose for which the projections were prepared and the party that prepared the projections;
- all material bases of the disclosed projections and all material assumptions underlying the projections, and any factors that may materially affect such assumptions (including a discussion of any factors that may cause the assumptions to be no longer reasonable, material growth rates or discount multiples used in preparing the projections, and the reasons for selecting such growth rates or discount multiples); and
- whether the disclosed projections still reflect the view of the board of directors (or similar governing body) or management of the SPAC or target company, as applicable, as of the most recent practicable date prior to the date of the disclosure document required to be disseminated to security holders; if not, then discussion of the purpose of disclosing the projections and the reasons for any continued reliance by the management or board on the projections.

Business Combinations Involving Shell Companies

In response to the SEC's concerns over the use of shell companies to access public securities markets, the SEC adopted Rule 145a. The Final Rules deem that a business combination transaction involving a reporting shell company and another entity that is not a shell company constitutes a sale of securities to the reporting shell company's shareholders for purposes of the Securities Act. In addition, the Final Rules more closely align the required financial statements of private operating companies in transactions involving shell companies with those required in registration statements for IPOs.

Proposed Rules Not Adopted by the SEC

The SEC highlighted in its adopting release of the Final Rules certain of the Proposed Rules it was declining to adopt. Of particular note was the SEC's decision not to adopt new Rule 140a, which would have deemed certain persons that acted in both a SPAC IPO and the subsequent de-SPAC transaction to be a statutory underwriter. In addition, the SEC declined to adopt a safe harbor from the potential applicability of the Investment Company Act of 1940, as amended (the "Investment Company Act") to SPACs.

SEC Decides Not to Adopt Proposed Rule 140a Regarding Underwriter Status and Liabilities

In a key variation from the Proposed Rules, the SEC decided not to adopt new Rule 140a. If implemented, Rule 140a would have provided that a person who acted as an underwriter in a SPAC initial public offering and also participated in the distribution by taking steps to facilitate the de-SPAC transaction, any related financing transaction, or otherwise participated (directly or indirectly) in the de-SPAC transaction would have been deemed to be engaged in the distribution of the securities of the surviving public entity in the de-SPAC transaction within the meaning of Section 2(a)(11) of the Securities Act (i.e., they would be deemed a "statutory underwriter").

The deemed underwriter status was intended to motivate underwriters to exercise the care necessary to help ensure the accuracy of the disclosures in these transactions by affirming that they would be subject to Section 11 liability in registered de-SPAC transactions. Under the Proposed Rule, the liability protections in de-SPAC transactions involving

registered offerings would have paralleled those in underwritten IPOs.

In declining to adopt Rule 140a, the SEC noted in its adopting release of the Final Rules that the determination of whether a party is a statutory underwriter will continue to be a facts-and-circumstances test, and that they intend to follow the "longstanding practice of applying the statutory terms "distribution" and "underwriter" broadly and flexibly, as the facts and circumstances of any transaction may warrant." [27]

SEC Decides Not to Adopt a Safe Harbor under the Investment Company Act

Proposed Rule 3a-10 under the Investment Company Act would have provided a safe harbor from the definition of investment company under Section 3(a)(1)(A) of the Investment Company Act for certain SPACs.

Under Proposed Rule 3a-10, a SPAC that fully complied with the rule's conditions would not have needed to register as an investment company under the Investment Company Act. Such conditions included requiring that the SPAC (1) maintain assets comprising only cash items, government securities, and certain money market funds; (2) seek to complete a de-SPAC transaction after which the surviving entity will be primarily engaged in the business of the target company; and (3) enter into an agreement with a target company to engage in a de-SPAC transaction within 18 months after the effective date of the SPAC's registration statement for its IPO and complete its de-SPAC transaction within 24 months of such effective date.

In declining to adopt the proposed safe harbor in the Final Rules, the SEC noted that the determination of whether a SPAC is an "investment company" is highly individualized and duration-sensitive, so it will continue to be based on the particular facts and circumstances of each case. [28]

Effective Date

The Final Rules will become effective 125 days after publication in the Federal Register. The compliance date for the Final Rules, other than 17 CFR 229.1610, is the effective date.

The compliance date for 17 CFR 229.1610, which requires SPACs to tag all information disclosed pursuant to Subpart 1600 of Regulation S-K in Inline XBRL in accordance with Rule 405 of Regulation S-T and the EDGAR Filer Manual, will be 490 days after publication of the Final Rules in the Federal Register.

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1. Special Purpose Acquisition Companies (SPACs), Shell Companies, and Projections Release No. 33-11265 (January 24, 2024), available here. ↩
2. Special Purpose Acquisition Companies (SPACs), Shell Companies, and Projections, Release No. 33-11048 (March 30, 2022), available here. ↩
3. Statement on Final Rules Regarding Special Purpose Acquisition Companies (SPACs), Shell Companies, and Projections (January 24, 2024), available here. ↩
4. Id. ↩
5. [1] Final Item 1603(a) of Regulation S-K. ↩
6. Final Item 1603(b) of Regulation S-K. ↩
7. Final Item 1603(c) of Regulation S-K. ↩
8. Final Items 1602(a)(4), 1602(c) and 1604(c) of Regulation S-K. ↩
9. Final Item 1602(a) of Regulation S-K. ↩
10. Final Item 1602(b) of Regulation S-K. ↩
11. Final Items 1604(a) and 1604(b) of Regulation S-K. ↩
12. Final Item 1605(c) of Regulation S-K. ↩

13. Final Item 1605(d) of Regulation S-K. ↩
14. Final Item 1605(e) of Regulation S-K. ↩
15. Final Item 1606(e) of Regulation S-K. ↩
16. Final Items 1606(c), (d) and (e) of Regulation S-K. ↩
17. Final Item 1607(a) of Regulation S-K. ↩
18. Final Item 1607(b) of Regulation S-K. ↩
19. Final Item 1607(c) of Regulation S-K. ↩
20. These items are: (1) Item 101 (description of business); (2) Item 102 (description of property); (3) Item 103 (legal proceedings); (4) Item 304 (changes in and disagreements with accountants on accounting and financial disclosure); (5) Item 403 (security ownership of certain beneficial owners and management, assuming the completion of the de-SPAC transaction and any related financing transaction); and (6) Item 701 (recent sales of unregistered securities). ↩
21. These items are Items 4, 6.E, 7.A, 8.A.7. and 16F of Form 20-F. ↩
22. This change is implemented by amending Exchange Act Rules 14a-6 and 14c-2 and General Instructions L.3 to Form S-4 and I.3 to Form F-4. ↩
23. General Instruction L.1. to Form S-4; General Instruction I.1. to Form F-4. ↩
24. Release No. 33-11265 (January 24, 2024), at 193. ↩
25. In general, a smaller reporting company is a company that is not an investment company, an asset-backed issuer or a majority-owned subsidiary of a parent that is not a smaller reporting company, and had (1) a public float of less than $250 million, or (2) had annual revenues of less than $100 million during the most recently completed fiscal year for which audited financial statements are available and either had no public float or a public float of less than $700 million. ↩
26. Release No. 33-11265 (January 24, 2024), at 222, 223. ↩
27. Release No. 33-11265 (January 24, 2024), at 283. ↩
28. Release No. 33-11265 (January 24, 2024), at 364. ↩

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