

The Crowd Is Calling For JOBS Act Rules

By: Bettina Eckerle

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While Democrats and Republicans currently do not agree on much, lawmakers for both sides are calling on the SEC to speed up its rulemaking process to implement the JOBS Act.

Sens. Jeff Merkley (D-OR) and Michael Bennet (D-CO) recently sent a letter to the SEC requesting that rules governing crowdfunding activities be issued quickly. “We understand the complexity in crafting the new rules. Yet time is of the essence. Market participants are eager to start providing crowdfunding services to entrepreneurs and investors alike, and small businesses and entrepreneurs are eager to raise money and create jobs,” wrote the lawmakers.

Republicans are also not happy with the SEC’s slow pace. Rep. Patrick McHenry (R-NC) has renewed pressure on the SEC to finalize the rules to lift the advertising ban on private placements. He alleges that Chairwoman Mary Shapiro delayed the progress of the rules to protect her reputation as an advocate for investors. “The decision to proceed with a proposed rule appears to have prioritized a well-connected special-interest group’s preference and concern over how your legacy would be perceived over faithful compliance with the law,” Rep. McHenry wrote. “Concern for one’s legacy has no place in what should have been a routine implementation of a law passed with bipartisan support in Congress and signed by President Obama.”

The SEC has already missed the deadlines for both rulemakings. The shakeup at the SEC is likely to further slow down the process, which has already been moving at a snail’s pace. Many were hoping that the rules would be finalized before Shapiro left her post last month. However, it will now be up to her temporary replacement Elisse Walter or whoever comes next. The President must still nominate a permanent successor, who must then be approved by the Senate.

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