

Ignite Social Impact Leverages SEC Rules Changes to Allow Social Impact Companies to Crowdfund up to \$5 Million



Maryland, Bethesda, Mar 15, 2021 ([IssueWire.com](https://www.issuewire.com)) - Today, the new Regulation Crowdfunding (Reg CF) rules -- adopted by the US Securities and Exchange Commission in November 2020 -- come into effect. They allow private US companies ("issuers") to raise up to \$5 million online, use Special Purpose Vehicles (SPVs) to simplify the management of cap tables, and gauge investors' interest by "testing the waters" ahead of a Reg CF (Title III) offering. In addition, accredited investors have no yearly limits on investing; previously, even multi-billionaires had a yearly limit of \$107,000 across all Reg CF offerings. Ignite Social Impact ("Ignite") -- the first equity crowdfunding portal dedicated to impacting investing -- enables private US Tech-for-Good companies to take advantage of the SEC rules changes now.

Under the new SEC rules:

- the offering limit for issuers has been raised from \$1.07 million to \$5 million
- investment limits for investors have been modified by:
 - removing the \$107k yearly cap for accredited investors; they can now invest as much as they want across all Reg CF offerings
 - using the greater of their annual income or net worth when calculating the investment

limits for non-accredited investors

- the use of SPVs that function as a conduit for investors is now permitted, allowing issuers to avoid fragmentation of their cap table due to a large number of investors in equity crowdfunding campaigns
- Reg CF issuers will be allowed to “test-the-waters”, i.e. evaluate the interest of potential investors (verbally or online) prior to filing an offering document with the SEC
- “demo days” sponsored by non-profits, universities, or angel investor groups allow companies listed on funding portals to pitch to private accredited investors and refer them to their offerings

Rosemarie Truman, co-founder, and CEO of Ignite Social Impact said, “Ignite is part of the scaffolding of the social impact architecture we’re building to support impact enterprises. Ignite welcomes US-based Tech-for-Good companies to join the platform to raise up to \$5MM. We also invite investors, regardless of their income or net worth, from around the world to join Ignite’s community of impactful givers and doers.”

To apply for an opportunity to raise up to \$5 million or test the waters through Ignite, private US companies should submit the form at <http://bitly.com/ignitesimpact>.

To become an impact investor on Ignite, anyone can sign up at <https://invest.ignitesocialimpact.com/>, and invest at least \$100 in a Reg CF offering.

ABOUT IGNITE:

Ignite Social Impact (“Ignite”) is a crowd equity funding portal for US-based technology companies with impact. Ignite was founded by a team of passionate entrepreneurs and scientists to showcase a wealth of innovative companies addressing the United Nations Sustainable Development Goals and to enable anyone to make a positive impact by investing as little as \$100 in those companies. To learn more, visit <https://www.ignitesocialimpact.com/>, and follow Ignite on [Facebook](#), [Twitter](#), [Instagram](#), and [LinkedIn](#).

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