

# SEC Reduces Minimum Equity Tender Offer Period to 10 Business Days

The Securities and Exchange Commission recently cut the minimum time required for certain equity tender offers in half. Historically, federal rules mandated that such offers remain open for at least 20 business days. Now, an April 16, 2026 exemptive order from the Division of Corporation Finance allows market participants to conclude qualifying cash tender offers in just 10 business days. While this new relief applies exclusively to equity securities, it signals a pragmatic shift at the SEC and suggests market participants may see similar relief formalized for debt tender offers down the road.

## A Shift in Timing

Rules 13e-4(f)(1)(i) and 14e-1(a) under the Securities Exchange Act of 1934 require tender offers by issuers and third parties, respectively, to remain open for at least 20 business days. While this window was originally intended to account for the physical distribution of materials, the current speed of communication provides investors with nearly immediate access to documents, rendering a 20-business-day period increasingly unnecessary for making an informed investment decision. Additionally, this timeline often exposes buyers and sellers to extended market volatility. To address this, the [SEC's new exemptive order](#) creates a faster execution path for qualifying tender offers for both public and private companies' equity securities, provided the applicable provisions of the order are satisfied. The order has no impact on applicable anti-fraud and anti-manipulation rules, which continue to apply to all tender offers.

## Requirements for Public Companies

For reporting companies, the order permits a 10-business-day minimum offering period if the transaction meets the following conditions:

If you have any questions concerning this memorandum, please reach out to your regular firm contact or the following authors

NEW YORK

**Lesley Janzen**  
+1 212 225 2342  
[ljanzen@cgsh.com](mailto:ljanzen@cgsh.com)

**Manuel Silva**  
+1 212 225 2293  
[msilva@cgsh.com](mailto:msilva@cgsh.com)

**Kimberly R. Spoerri**  
+1 212 225 2522  
[kspoerri@cgsh.com](mailto:kspoerri@cgsh.com)

**David Lopez**  
+1 212 225 2632  
[dlopez@cgsh.com](mailto:dlopez@cgsh.com)

**Stav Harel**  
+1 212 225 2377  
[sharel@cgsh.com](mailto:sharel@cgsh.com)

**Jermaine Scott Cherry**  
+1 212 225 2387  
[jcherry@cgsh.com](mailto:jcherry@cgsh.com)



— **Third Party / Issuer Distinctions:**

- Third party offers must stem from a negotiated merger or business combination agreement with the target company. Offerors must seek all outstanding securities of that class. Additionally, the target company must file and disseminate a Schedule 14D-9 (the target board’s solicitation / recommendation statement, in which the board advises stockholders whether to accept or reject the offer, or states that it is unable to take a position) by 5:30 p.m. Eastern time on the first business day after the commencement of the offer.
- Issuer tender offers must be for less than all of the outstanding securities of the relevant class.

— **Consideration:** Offerors must offer only cash at a fixed price.

— **Applicable Regulation:** The offer must fall under Regulation 14D, which governs third-party offers, or Rule 13e-4, which governs issuer offers.

— **No Competing Offers:** At the time of announcement, no other party can have a pending or announced offer for the same securities. If a competing offer emerges later, the original offeror must extend its offer to the standard 20 business days (measured from the date the original offer commenced).

— **Offer Announcement:** Offerors must announce the offer through a widely distributed press release by 10:00 a.m. Eastern time on the start date. Such release must outline the basic terms and include an active hyperlink to the tender offer materials.

- This obligation serves as an additional requirement beyond Rule 13e-4(e)(1), which as a practical matter requires issuers to announce self-tenders through an advertisement in a newspaper with national circulation. This process is costly and requires the issuer to commit to the advertisement, and often fix

pricing, a day before the launch date. The order leaves this requirement unchanged.

- Note that while allowing access to tender offer documents on a website (often dedicated for a specific offering) is already market practice in certain types of transactions, it is now explicitly mandated by the SEC to rely on this relief.

— **Notice of Changes:** Offerors must publicly announce any change to the price or the percentage of securities sought (beyond a 2% buffer) by 9:00 a.m. Eastern time, five business days before the offer expires. Offerors must announce any other material change by 9:00 a.m. Eastern time, two business days before expiration.

— **Exclusions:** Offerors cannot use this fast track for “going private” transactions governed by Rule 13e-3. They also cannot rely on cross-border exemptions under Rule 14d-1(d) or Rule 13e-4(i) under the Exchange Act (the Tier I and Tier II cross-border exemptions).

### Requirements for Private Companies

The SEC provided a similar track for private companies, allowing issuers that do not have securities registered under Section 12 of the Exchange Act and are not required to file reports pursuant to Section 15(d) of the Exchange Act, to conduct a 10-business-day tender offer, subject to the following conditions:

— **Eligible Offerors:** The issuer or its wholly owned subsidiary must make the offer.

— **Consideration:** The offer must consist solely of cash at a fixed price.

— **Notice of Changes:** Issuers must notify stockholders of changes to the price or amount of securities sought (again, beyond a 2% buffer) by 9:00 a.m. Eastern time, five business days before expiration. Issuers must give notice of other material changes by 9:00 a.m. Eastern time, two business days before expiration.

### Looking Ahead: Could Debt Follow?

The exemptive order strictly limits the accelerated timeline to equity securities. However, the SEC’s

willingness to modernize the 20 business day rule highlights a proactive, market-friendly approach. Market participants frequently utilize shorter offer periods (or create the effect of shorter offer periods) in debt tender offers to reduce exposure to market volatility and the risk of under- or over-participation. It is worth noting, however, that the debt markets already benefit from more aggressive relief that is available in certain circumstances — the SEC’s 2015 no-action letter (known as the Abbreviated Tender Offer No-Action Letter) permits non-convertible debt tender offers, subject to certain conditions, with a minimum offering period of just five business days. However, it seems likely that the SEC will extend additional flexibility to debt tender offers in the near future.

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