

Who's Got That Kind of Time: SEC Shortens Tender Offer Window for Equity Awards in Certain Circumstances

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On April 16, 2026, the Securities and Exchange Commission (SEC) issued relief permitting certain types of tender offers to remain open for only 10 business days, cutting in half the prior general requirement of 20 business days. This alert explores what this relief means for companies navigating the tender offer rules involving equity incentive compensation awards.

Background on tender offers

A “tender offer” is an opportunity for security holders to “tender” – i.e., sell – their security at a fixed price. Tender offers are typically structured in one of two ways:

1. As a company-led “self-tender” where the company offers to buy back securities.
2. As an investor-led “third-party tender” where an investor looks to take or increase a position in company securities.

While the SEC does not precisely define the term “tender offer,” it does prescribe many complex technical requirements governing tender offers. One of the simpler requirements was that the offer to purchase must stay open for at least 20 business days from the date of announcement of the offer.

What the SEC relief does

In basic terms, the relief shortens the time a tender offer must remain open to 10 business days from 20 – **but subject to certain important conditions**. As with the tender offer rules generally, most of those conditions are complicated, technical and outside the scope of this alert. For equity incentive awards, three notable conditions are:

- The consideration offered must consist solely of cash.
- For private companies, the relief is available only for self-tenders, not for third-party tenders.
- For public companies, third-party tenders must be conducted pursuant to a negotiated merger or other business combination agreement and be for all of the securities of the particular class.

What this means for equity award tenders

Because of the conditions attached to the reduced 10-day tender period, the SEC relief should generally work in favor of companies, but it is limited. For both private and public company equity award tender offers, the 10-day window is effectively limited to company self-tenders for cash. Notably, it does not apply to tender offers in connection with repricings, modifications or option exchanges – areas where incentive equity compensation often implicates the tender offer requirements.

In the right circumstances – for instance, an option award buyback – a company will now be able to launch and close a cash tender offer more quickly than has been the case in the past, and can do so without inadvertently disqualifying options intended to qualify as incentive stock options.

Two caveats to note:

- First, because of the procedure used to grant the relief, it may be revoked by the SEC at any time.
- Second, and more importantly, the tender offer rules remain a highly technical and complicated thicket requiring great care to successfully navigate.

Cooley’s compensation and benefits group has extensive experience leading companies through the tender offer process in connection with equity awards, and can help you determine whether and how this relief can be used to streamline your company’s equity award tenders.

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