

SBA update: Less than one percent minority shareholder interest could impact eligibility for small business contract awards

26 July 2018

Focus on Regulation

The U.S. Small Business Administration (SBA) Office of Hearings & Appeals (OHA) recently held that an entity may be affiliated with another entity solely because it holds a very small minority ownership interest (less than one percent) in that entity. OHA's ruling is noteworthy because under the SBA's rules, the employees or revenue (depending on the NAICS code) of a concern and its "affiliates" must be aggregated when determining a small business concern's size and eligibility for small business set-aside contracts. The decision should disabuse contractors and investors alike of any perception that very small minority ownership interests cannot give rise to affiliation.

Read more: [SBA update: Less than one percent minority shareholder interest could impact eligibility for small business contract awards](#)

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