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114TH CONGRESS
1ST SESSION

H. R. 2187

To direct the Securities and Exchange Commission to revise its regulations regarding the qualifications of natural persons as accredited investors.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2015

Mr. SCHWEIKERT introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To direct the Securities and Exchange Commission to revise its regulations regarding the qualifications of natural persons as accredited investors.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fair Investment Opportunities for Professional Experts Act''.

SEC. 2. ACCREDITED INVESTOR DEFINITION.

Not later than 180 days after the date of enactment of this Act, the Securities and Exchange Commission shall revise its rules under Regulation D (17 C.F.R. 230.501 et seq.) to provide that a natural person shall be considered an accredited investor under such regulation notwithstanding the income and net worth requirements in paragraphs (5) and (6) of section 230.501(a) of title 17, Code of Federal Regulations, if such person certifies to the issuer prior to the sale of securities to such person that he or she—

(1) is a person described in paragraphs (1), (2), (3), or (4) of section 506(c)(2)(ii)(C) of such title;

(2) has retained and used the services of any person referred to in paragraph (1) to make an investment decision relative to the securities being offered; or

(3) is licensed as an accredited investor by the Financial Industry Regulatory Authority after completing an exam administered by such Authority using the criteria established by the Securities and Exchange Commission under section 2.

SEC. 3. FINRA LICENSING PROGRAM.

Not later than 180 days after the date of enactment of this Act, the Securities and Exchange Commission shall establish criteria for use by the Financial Industry Regulatory Authority in administering an exam to license as accredited investors natural persons who don't meet the income and net worth requirements in paragraphs (5) and (6) of section 230.501(a) of title 17, Code of Federal Regulations. Such criteria may include methods for assuring that licensed accredited investors demonstrate a competency in understanding the following:

(1) The different types of securities.

(2) The disclosure obligations under the securities laws of issuers versus private companies.

(3) The structures of corporate governance.

(4) The components of a financial statement.

(5) Other criteria the Commission shall establish in the public interest and for the protection of investors.

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