

118TH CONGRESS  
2D SESSION

# H. R. 2799

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IN THE SENATE OF THE UNITED STATES

MARCH 11, 2024

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To make reforms to the capital markets of the United States,  
and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Expanding Access to Capital Act of 2023”.

4 (b) **TABLE OF CONTENTS.**—The table of contents for  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

**DIVISION A—STRENGTHENING PUBLIC MARKETS**

**TITLE I—REMOVE ABERRATIONS IN THE MARKET CAP TEST FOR  
TARGET COMPANY FINANCIAL STATEMENTS**

Sec. 1101. Avoiding aberrational results in requirements for acquisition and  
disposition financial statements.

**TITLE II—HELPING STARTUPS CONTINUE TO GROW**

Sec. 1201. Short title.

Sec. 1202. Emerging growth company criteria.

**TITLE III—SEC AND PCAOB AUDITOR REQUIREMENTS FOR  
NEWLY PUBLIC COMPANIES**

Sec. 1301. Auditor independence for certain past audits occurring before an  
issuer is a public company.

**TITLE IV—EXPAND THE PROTECTION FOR RESEARCH REPORTS  
TO COVER ALL SECURITIES OF ALL ISSUERS**

Sec. 1401. Provision of research.

**TITLE V—EXCLUDE QIBS AND IAAS FROM THE RECORD HOLDER  
COUNT FOR MANDATORY REGISTRATION**

Sec. 1501. Exclusions from mandatory registration threshold.

**TITLE VI—EXPAND WKSI ELIGIBILITY**

Sec. 1601. Definition of well-known seasoned issuer.

**DIVISION B—HELPING SMALL BUSINESSES AND  
ENTREPRENEURS**

**TITLE I—UNLOCKING CAPITAL FOR SMALL BUSINESSES**

Sec. 2101. Short title.

Sec. 2102. Safe harbors for private placement brokers and finders.

Sec. 2103. Limitations on State law.

**TITLE II—SMALL BUSINESS INVESTOR CAPITAL ACCESS**

Sec. 2201. Short title.

Sec. 2202. Inflation adjustment for the exemption threshold for certain invest-  
ment advisers of private funds.

TITLE III—IMPROVING CAPITAL ALLOCATION FOR NEWCOMERS

- Sec. 2301. Short title.
- Sec. 2302. Qualifying venture capital funds.

TITLE IV—SMALL ENTREPRENEURS' EMPOWERMENT AND DEVELOPMENT

- Sec. 2401. Short title.
- Sec. 2402. Micro-offering exemption.

TITLE V—REGULATION A+ IMPROVEMENT

- Sec. 2501. Short title.
- Sec. 2502. JOBS Act-related exemption.

TITLE VI—DEVELOPING AND EMPOWERING OUR ASPIRING LEADERS

- Sec. 2601. Short title.
- Sec. 2602. Definitions.
- Sec. 2603. Reports.

TITLE VII—IMPROVING CROWDFUNDING OPPORTUNITIES

- Sec. 2701. Short title.
- Sec. 2702. Crowdfunding revisions.

TITLE VIII—RESTORING THE SECONDARY TRADING MARKET

- Sec. 2801. Short title.
- Sec. 2802. Exemption from State regulation.

DIVISION C—INCREASING ACCESS TO PRIVATE MARKETS

TITLE I—GIG WORKER EQUITY COMPENSATION

- Sec. 3101. Short title.
- Sec. 3102. Extension of Rule 701.
- Sec. 3103. GAO study.

TITLE II—INVESTMENT OPPORTUNITY EXPANSION

- Sec. 3201. Short title.
- Sec. 3202. Investment thresholds to qualify as an accredited investor.

TITLE III—RISK DISCLOSURE AND INVESTOR ATTESTATION

- Sec. 3301. Short title.
- Sec. 3302. Investor attestation.

TITLE IV—ACCREDITED INVESTORS INCLUDE INDIVIDUALS RECEIVING ADVICE FROM CERTAIN PROFESSIONALS

- Sec. 3401. Accredited investors include individuals receiving advice from certain professionals.

DIVISION D—HELPING ANGELS LEAD OUR STARTUPS

- Sec. 4001. Clarification of general solicitation.

## DIVISION E—IMPROVING DISCLOSURE FOR INVESTORS

Sec. 5001. Short title.

Sec. 5002. Electronic delivery.

## DIVISION F—ENHANCEMENT OF 403(b) PLANS

Sec. 6101. Short title.

Sec. 6102. Enhancement of 403(b) plans.

## DIVISION G—INCREASING INVESTOR OPPORTUNITIES

Sec. 7001. Closed-end company authority to invest in private funds.

1     **DIVISION A—STRENGTHENING**  
 2             **PUBLIC MARKETS**  
 3     **TITLE I—REMOVE ABERRATIONS**  
 4             **IN THE MARKET CAP TEST**  
 5             **FOR TARGET COMPANY FI-**  
 6             **NANCIAL STATEMENTS**

7     **SEC. 1101. AVOIDING ABERRATIONAL RESULTS IN RE-**  
 8             **QUIREMENTS FOR ACQUISITION AND DIS-**  
 9             **POSITION FINANCIAL STATEMENTS.**

10         The Securities and Exchange Commission shall revise  
 11 section 210.1–02(w)(1)(i)(A) of title 17, Code of Federal  
 12 Regulations, to permit a registrant, in determining the  
 13 significance of an acquisition or disposition described in  
 14 such section 210.1–02(w)(1)(i)(A), to calculate the reg-  
 15 istrant’s aggregate worldwide market value based on the  
 16 applicable trading value, conversion value, or exchange  
 17 value of all of the registrant’s outstanding classes of stock  
 18 (including preferred stock and non-traded common shares  
 19 that are convertible into or exchangeable for traded com-

1 mon shares) and not just the voting and non-voting com-  
2 mon equity of the registrant.

3 **TITLE II—HELPING STARTUPS**  
4 **CONTINUE TO GROW**

5 **SEC. 1201. SHORT TITLE.**

6 This title may be cited as the “Helping Startups Con-  
7 tinue To Grow Act”.

8 **SEC. 1202. EMERGING GROWTH COMPANY CRITERIA.**

9 (a) SECURITIES ACT OF 1933.—Section 2(a)(19) of  
10 the Securities Act of 1933 (15 U.S.C. 77b(a)(19)) is  
11 amended—

12 (1) by striking “\$1,000,000,000” each place  
13 such term appears and inserting “\$1,500,000,000”;

14 (2) in subparagraph (B)—

15 (A) by striking “fifth” and inserting “7-  
16 year”; and

17 (B) by adding “or” at the end;

18 (3) in subparagraph (C), by striking “; or” and  
19 inserting a period; and

20 (4) by striking subparagraph (D).

21 (b) SECURITIES EXCHANGE ACT OF 1934.—Section  
22 3(a) of the Securities Exchange Act of 1934 (15 U.S.C.  
23 78c(a)) is amended, in the first paragraph (80) (related  
24 to emerging growth companies)—

1 (1) by striking “\$1,000,000,000” each place  
2 such term appears and inserting “\$1,500,000,000”;

3 (2) in subparagraph (B)—

4 (A) by striking “fifth” and inserting “7-  
5 year”; and

6 (B) by adding “or” at the end;

7 (3) in subparagraph (C), by striking “; or” and  
8 inserting a period; and

9 (4) by striking subparagraph (D).

10 **TITLE III—SEC AND PCAOB**  
11 **AUDITOR REQUIREMENTS**  
12 **FOR NEWLY PUBLIC COMPA-**  
13 **NIES**

14 **SEC. 1301. AUDITOR INDEPENDENCE FOR CERTAIN PAST**  
15 **AUDITS OCCURRING BEFORE AN ISSUER IS A**  
16 **PUBLIC COMPANY.**

17 (a) AUDITOR INDEPENDENCE STANDARDS OF THE  
18 PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD.—  
19 Section 103 of the Sarbanes-Oxley Act of 2002 (15 U.S.C.  
20 7213) is amended by adding at the end the following:

21 “(e) AUDITOR INDEPENDENCE FOR CERTAIN PAST  
22 AUDITS OCCURRING BEFORE AN ISSUER IS A PUBLIC  
23 COMPANY.—With respect to an issuer that is a public  
24 company or an issuer that has filed a registration state-  
25 ment to become a public company, the auditor independ-

1 ence rules established by the Board with respect to audits  
2 occurring before the last fiscal year of the issuer completed  
3 before the issuer filed a registration statement to become  
4 a public company shall treat an auditor as independent  
5 if—

6 “(1) the auditor is independent under standards  
7 established by the American Institute of Certified  
8 Public Accountants applicable to certified public ac-  
9 countants in United States; or

10 “(2) with respect to a foreign issuer, the audi-  
11 tor is independent under comparable standards ap-  
12 plicable to certified public accountants in the issuer’s  
13 home country.”.

14 (b) AUDITOR INDEPENDENCE STANDARDS OF THE  
15 SECURITIES AND EXCHANGE COMMISSION.—Section 10A  
16 of the Securities Exchange Act of 1934 (15 U.S.C. 78j–  
17 1) is amended by adding at the end the following:

18 “(n) AUDITOR INDEPENDENCE FOR CERTAIN PAST  
19 AUDITS OCCURRING BEFORE AN ISSUER IS A PUBLIC  
20 COMPANY.—With respect to an issuer that is a public  
21 company or an issuer that has filed a registration state-  
22 ment to become a public company, the auditor independ-  
23 ence rules established by the Commission under the securi-  
24 ties laws with respect to audits occurring before the last  
25 fiscal year of the issuer completed before the issuer filed

1 a registration statement to become a public company shall  
2 treat an auditor as independent if—

3 “(1) the auditor is independent under standards  
4 established by the American Institute of Certified  
5 Public Accountants applicable to certified public ac-  
6 countants in United States; or

7 “(2) with respect to a foreign issuer, the audi-  
8 tor is independent under comparable standards ap-  
9 plicable to certified public accountants in the issuer’s  
10 home country.”.

11 **TITLE IV—EXPAND THE PROTEC-**  
12 **TION FOR RESEARCH RE-**  
13 **PORTS TO COVER ALL SECU-**  
14 **RITIES OF ALL ISSUERS**

15 **SEC. 1401. PROVISION OF RESEARCH.**

16 Section 2(a)(3) of the Securities Act of 1933 (15  
17 U.S.C. 77b(a)(3)) is amended—

18 (a) by striking “an emerging growth company” and  
19 inserting “an issuer”;

20 (b) by striking “the common equity” and inserting  
21 “any”; and

22 (c) by striking “such emerging growth company” and  
23 inserting “such issuer”.



1 **TITLE V—EXCLUDE QIBS AND**  
2 **IAAS FROM THE RECORD**  
3 **HOLDER COUNT FOR MANDA-**  
4 **TORY REGISTRATION**

5 **SEC. 1501. EXCLUSIONS FROM MANDATORY REGISTRATION**  
6 **THRESHOLD.**

7 (a) IN GENERAL.—Section 12(g)(1) of the Securities  
8 Exchange Act of 1934 (15 U.S.C. 78l(g)(1)) is amended—

9 (1) in subparagraph (A)(i), by inserting after  
10 “persons” the following: “(that are not a qualified  
11 institutional buyer or an institutional accredited in-  
12 vestor)”; and

13 (2) in subparagraph (B), by inserting after  
14 “persons” the following: “(that are not a qualified  
15 institutional buyer or an institutional accredited in-  
16 vestor)”.

17 (b) NONAPPLICABILITY OF GENERAL EXEMPTIVE  
18 AUTHORITY.—Section 36 of the Securities Exchange Act  
19 of 1934 (15 U.S.C. 78mm) shall not apply to the matter  
20 inserted by the amendments made by subsection (a).

1                   **TITLE VI—EXPAND WKSI**  
2                   **ELIGIBILITY**

3 **SEC. 1601. DEFINITION OF WELL-KNOWN SEASONED**  
4                   **ISSUER.**

5           For purposes of the Federal securities laws, and reg-  
6 ulations issued thereunder, an issuer shall be a “well-  
7 known seasoned issuer” if—

8                   (1) the aggregate market value of the voting  
9                   and non-voting common equity held by non-affiliates  
10                  of the issuer is \$250,000,000 or more (as deter-  
11                  mined under Form S-3 general instruction I.B.1. as  
12                  in effect on the date of enactment of this Act); and

13                  (2) the issuer otherwise satisfies the require-  
14                  ments of the definition of “well-known seasoned  
15                  issuer” contained in section 230.405 of title 17,  
16                  Code of Federal Regulations without reference to  
17                  any requirement in such definition relating to min-  
18                  imum worldwide market value of outstanding voting  
19                  and non-voting common equity held by non-affiliates.

1 **DIVISION B—HELPING SMALL**  
2 **BUSINESSES AND ENTRE-**  
3 **PRENEURS**  
4 **TITLE I—UNLOCKING CAPITAL**  
5 **FOR SMALL BUSINESSES**

6 **SEC. 2101. SHORT TITLE.**

7 This title may be cited as the “Unlocking Capital for  
8 Small Businesses Act of 2023”.

9 **SEC. 2102. SAFE HARBORS FOR PRIVATE PLACEMENT BRO-**  
10 **KERS AND FINDERS.**

11 (a) IN GENERAL.—Section 15 of the Securities Ex-  
12 change Act of 1934 (15 U.S.C. 78o) is amended by adding  
13 at the end the following:

14 “(p) PRIVATE PLACEMENT BROKER SAFE HAR-  
15 BOR.—

16 “(1) REGISTRATION REQUIREMENTS.—Not  
17 later than 180 days after the date of the enactment  
18 of this subsection the Commission shall promulgate  
19 regulations with respect to private placement brokers  
20 that are no more stringent than those imposed on  
21 funding portals.

22 “(2) NATIONAL SECURITIES ASSOCIATIONS.—  
23 Not later than 180 days after the date of the enact-  
24 ment of this subsection the Commission shall pro-  
25 mulgate regulations that require the rules of any na-

1 tional securities association to allow a private place-  
2 ment broker to become a member of such national  
3 securities association subject to reduced membership  
4 requirements consistent with this subsection.

5 “(3) DISCLOSURES REQUIRED.—Before effect-  
6 ing a transaction, a private placement broker shall  
7 disclose clearly and conspicuously, in writing, to all  
8 parties to the transaction as a result of the broker’s  
9 activities—

10 “(A) that the broker is acting as a private  
11 placement broker;

12 “(B) the amount of any payment or antici-  
13 pated payment for services rendered as a pri-  
14 vate placement broker in connection with such  
15 transaction;

16 “(C) the person to whom any such pay-  
17 ment is made; and

18 “(D) any beneficial interest in the issuer,  
19 direct or indirect, of the private placement  
20 broker, of a member of the immediate family of  
21 the private placement broker, of an associated  
22 person of the private placement broker, or of a  
23 member of the immediate family of such associ-  
24 ated person.

1           “(4) PRIVATE PLACEMENT BROKER DE-  
2 FINED.—In this subsection, the term ‘private place-  
3 ment broker’ means a person that—

4                   “(A) receives transaction-based compensa-  
5 tion—

6                           “(i) for effecting a transaction by—

7                                   “(I) introducing an issuer of se-  
8 curities and a buyer of such securities  
9 in connection with the sale of a busi-  
10 ness effected as the sale of securities;  
11 or

12                                   “(II) introducing an issuer of se-  
13 curities and a buyer of such securities  
14 in connection with the placement of  
15 securities in transactions that are ex-  
16 empt from registration requirements  
17 under the Securities Act of 1933; and

18                           “(ii) that is not with respect to—

19                                   “(I) a class of publicly traded se-  
20 curities;

21                                   “(II) the securities of an invest-  
22 ment company (as defined in section 3  
23 of the Investment Company Act of  
24 1940); or

1                   “(III) a variable or equity-in-  
2                   dexed annuity or other variable or eq-  
3                   uity-indexed life insurance product;

4                   “(B) with respect to a transaction for  
5                   which such transaction-based compensation is  
6                   received—

7                   “(i) does not handle or take posses-  
8                   sion of the funds or securities; and

9                   “(ii) does not engage in an activity  
10                  that requires registration as an investment  
11                  adviser under State or Federal law; and

12                  “(C) is not a finder as defined under sub-  
13                  section (q).

14                  “(q) FINDER SAFE HARBOR.—

15                  “(1) NONREGISTRATION.—A finder is exempt  
16                  from the registration requirements of this Act.

17                  “(2) NATIONAL SECURITIES ASSOCIATIONS.—A  
18                  finder shall not be required to become a member of  
19                  any national securities association.

20                  “(3) FINDER DEFINED.—In this subsection, the  
21                  term ‘finder’ means a person described in para-  
22                  graphs (A) and (B) of subsection (p)(4) that—

23                  “(A) receives transaction-based compensa-  
24                  tion of equal to or less than \$500,000 in any  
25                  calendar year;

1           “(B) receives transaction-based compensa-  
2           tion in connection with transactions that result  
3           in a single issuer selling securities valued at  
4           equal to or less than \$15,000,000 in any cal-  
5           endar year;

6           “(C) receives transaction-based compensa-  
7           tion in connection with transactions that result  
8           in any combination of issuers selling securities  
9           valued at equal to or less than \$30,000,000 in  
10          any calendar year; or

11          “(D) receives transaction-based compensa-  
12          tion in connection with fewer than 16 trans-  
13          actions that are not part of the same offering  
14          or are otherwise unrelated in any calendar  
15          year.”.

16          (b) VALIDITY OF CONTRACTS WITH REGISTERED  
17 PRIVATE PLACEMENT BROKERS AND FINDERS.—Section  
18 29 of the Securities Exchange Act of 1934 (15 U.S.C.  
19 78cc) is amended by adding at the end the following:

20          “(d) Subsection (b) shall not apply to a contract  
21 made for a transaction if—

22               “(1) the transaction is one in which the issuer  
23               engaged the services of a broker or dealer that is not  
24               registered under this Act with respect to such trans-  
25               action;

1           “(2) such issuer received a self-certification  
2 from such broker or dealer certifying that such  
3 broker or dealer is a registered private placement  
4 broker under section 15(p) or a finder under section  
5 15(q); and

6           “(3) the issuer either did not know that such  
7 self-certification was false or did not have a reason-  
8 able basis to believe that such self-certification was  
9 false.”.

10       (c) REMOVAL OF PRIVATE PLACEMENT BROKERS  
11 FROM DEFINITIONS OF BROKER.—

12           (1) RECORDS AND REPORTS ON MONETARY IN-  
13 STRUMENTS TRANSACTIONS.—Section 5312 of title  
14 31, United States Code, is amended in subsection  
15 (a)(2)(G) by inserting “with the exception of a pri-  
16 vate placement broker as defined in section 15(p)(4)  
17 of the Securities Exchange Act of 1934 (15 U.S.C.  
18 78o(p)(4))” before the semicolon at the end.

19           (2) SECURITIES EXCHANGE ACT OF 1934.—Sec-  
20 tion 3(a)(4) of the Securities Exchange Act of 1934  
21 (15 U.S.C. 78c(a)(4)) is amended by adding at the  
22 end the following:

23           “(G) PRIVATE PLACEMENT BROKERS.—A  
24 private placement broker as defined in section



1           15(p)(4) is not a broker for the purposes of this  
2           Act.”.

3 **SEC. 2103. LIMITATIONS ON STATE LAW.**

4           Section 15(i) of the Securities Exchange Act of 1934  
5 (15 U.S.C. 78o(i)) is amended—

6           (1) by redesignating paragraphs (3) and (4) as  
7           paragraphs (4) and (5), respectively;

8           (2) by inserting after paragraph (2) the fol-  
9           lowing:

10           “(3) PRIVATE PLACEMENT BROKERS AND FIND-  
11           ERS.—

12           “(A) IN GENERAL.—No State or political  
13           subdivision thereof may enforce any law, rule,  
14           regulation, or other administrative action that  
15           imposes greater registration, audit, financial  
16           recordkeeping, or reporting requirements on a  
17           private placement broker or finder than those  
18           that are required under subsections (p) and (q),  
19           respectively.

20           “(B) DEFINITION OF STATE.—For pur-  
21           poses of this paragraph, the term ‘State’ in-  
22           cludes the District of Columbia and each terri-  
23           tory of the United States.”; and

1 (3) in paragraph (4), as so redesignated, by  
2 striking “paragraph (3)” and inserting “paragraph  
3 (5)”.

4 **TITLE II—SMALL BUSINESS**  
5 **INVESTOR CAPITAL ACCESS**

6 **SEC. 2201. SHORT TITLE.**

7 This title may be cited as the “Small Business Inves-  
8 tor Capital Access Act”.

9 **SEC. 2202. INFLATION ADJUSTMENT FOR THE EXEMPTION**  
10 **THRESHOLD FOR CERTAIN INVESTMENT AD-**  
11 **VISERS OF PRIVATE FUNDS.**

12 Section 203(m) of the Investment Advisers Act of  
13 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the  
14 end the following:

15 “(5) INFLATION ADJUSTMENT.—The Commis-  
16 sion shall adjust the dollar amount described under  
17 paragraph (1)—

18 “(A) upon enactment of this paragraph, to  
19 reflect the change in the Consumer Price Index  
20 for All Urban Consumers published by the Bu-  
21ureau of Labor Statistics of the Department of  
22 Labor between the date of enactment of the  
23 Private Fund Investment Advisers Registration  
24 Act of 2010 and the date of enactment of this  
25 paragraph; and

1           “(B) annually thereafter, to reflect the  
2           change in the Consumer Price Index for All  
3           Urban Consumers published by the Bureau of  
4           Labor Statistics of the Department of Labor.”.

5   **TITLE III—IMPROVING CAPITAL**  
6   **ALLOCATION FOR NEWCOMERS**

7   **SEC. 2301. SHORT TITLE.**

8           This title may be cited as the “Improving Capital Al-  
9   location for Newcomers Act of 2023”.

10   **SEC. 2302. QUALIFYING VENTURE CAPITAL FUNDS.**

11           Section 3(c)(1) of the Investment Company Act of  
12   1940 (15 U.S.C. 80a–3(c)(1)) is amended—

13           (1) in the matter preceding subparagraph (A),  
14           by striking “250 persons” and inserting “600 per-  
15           sons”; and

16           (2) in subparagraph (C)(i), by striking  
17           “\$10,000,000” and inserting “\$150,000,000”.

18   **TITLE           IV—SMALL           ENTRE-**  
19   **PRENEURS’   EMPOWERMENT**  
20   **AND DEVELOPMENT**

21   **SEC. 2401. SHORT TITLE.**

22           This title may be cited as the “Small Entrepreneurs’  
23   Empowerment and Development Act of 2023” or the  
24   “SEED Act of 2023”.

1 **SEC. 2402. MICRO-OFFERING EXEMPTION.**

2 (a) IN GENERAL.—Section 4 of the Securities Act of  
3 1933 (15 U.S.C. 77d) is amended—

4 (1) in subsection (a), by adding at the end the  
5 following:

6 “(8) transactions meeting the requirements of  
7 subsection (f).”; and

8 (2) by adding at the end the following:

9 “(f) MICRO-OFFERINGS.—The transactions referred  
10 to in subsection (a)(8) are transactions involving the sale  
11 of securities by an issuer (including all entities controlled  
12 by or under common control with the issuer) where the  
13 aggregate amount of all securities sold by the issuer, in-  
14 cluding any amount sold in reliance on the exemption pro-  
15 vided under subsection (a)(8), during the 12-month period  
16 preceding such transaction, does not exceed \$250,000.”.

17 (b) DISQUALIFICATION.—

18 (1) IN GENERAL.—Not later than 270 days  
19 after the date of enactment of this Act, the Securi-  
20 ties and Exchange Commission shall, by rule, estab-  
21 lish disqualification provisions under which an issuer  
22 shall not be eligible to offer securities pursuant to  
23 section 4(a)(8) of the Securities Act of 1933, as  
24 added by this section.

25 (2) INCLUSIONS.—Disqualification provisions  
26 required by this subsection shall—

1 (A) be substantially similar to the provi-  
2 sions of section 230.506(d) of title 17, Code of  
3 Federal Regulations (or any successor thereto);  
4 and

5 (B) disqualify any offering or sale of secu-  
6 rities by a person that—

7 (i) is subject to a final order of a cov-  
8 ered regulator that—

9 (I) bars the person from—

10 (aa) association with an en-  
11 tity regulated by the covered reg-  
12 ulator;

13 (bb) engaging in the busi-  
14 ness of securities, insurance, or  
15 banking; or

16 (cc) engaging in savings as-  
17 sociation or credit union activi-  
18 ties; or

19 (II) constitutes a final order  
20 based on a violation of any law or reg-  
21 ulation that prohibits fraudulent, ma-  
22 nipulative, or deceptive conduct, if  
23 such final order was issued within the  
24 previous 10-year period; or

1                   (ii) has been convicted of any felony  
2                   or misdemeanor in connection with the  
3                   purchase or sale of any security or involv-  
4                   ing the making of any false filing with the  
5                   Commission.

6                   (3) COVERED REGULATOR DEFINED.—In this  
7                   subsection, the term “covered regulator” means—

8                   (A) a State securities commission (or an  
9                   agency or officer of a State performing like  
10                  functions);

11                  (B) a State authority that supervises or  
12                  examines banks, savings associations, or credit  
13                  unions;

14                  (C) a State insurance commission (or an  
15                  agency or officer of a State performing like  
16                  functions);

17                  (D) a Federal banking agency (as defined  
18                  under section 3 of the Federal Deposit Insur-  
19                  ance Act); and

20                  (E) the National Credit Union Administra-  
21                  tion.

22                  (c) EXEMPTION UNDER STATE REGULATIONS.—Sec-  
23                  tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.  
24                  77r(b)(4)) is amended—

1 (1) in subparagraph (F), by striking “or” at  
2 the end;

3 (2) in subparagraph (G), by striking the period  
4 and inserting “; or”; and

5 (3) by adding at the end the following:

6 “(H) section 4(a)(8).”.

7 **TITLE V—REGULATION A+**  
8 **IMPROVEMENT**

9 **SEC. 2501. SHORT TITLE.**

10 This title may be cited as the “Regulation A+ Im-  
11 provement Act of 2023”.

12 **SEC. 2502. JOBS ACT-RELATED EXEMPTION.**

13 Section 3(b) of the Securities Act of 1933 (15 U.S.C.  
14 77c(b)) is amended—

15 (1) in paragraph (2)(A), by striking  
16 “\$50,000,000” and inserting “\$150,000,000, ad-  
17 justed for inflation by the Commission every 2 years  
18 to the nearest \$10,000 to reflect the change in the  
19 Consumer Price Index for All Urban Consumers  
20 published by the Bureau of Labor Statistics”; and

21 (2) in paragraph (5)—

22 (A) by striking “such amount as” and in-  
23 serting: “such amount, in addition to the ad-  
24 justment for inflation provided for under such  
25 paragraph (2)(A), as”; and

1 (B) by striking “such amount, it” and in-  
2 sserting “such amount, in addition to the adjust-  
3 ment for inflation provided for under such  
4 paragraph (2)(A), it”.

5 **TITLE VI—DEVELOPING AND EM-**  
6 **POWERING OUR ASPIRING**  
7 **LEADERS**

8 **SEC. 2601. SHORT TITLE.**

9 This title may be cited as the “Developing and Em-  
10 powering our Aspiring Leaders Act of 2023” or the  
11 “DEAL Act of 2023”.

12 **SEC. 2602. DEFINITIONS.**

13 Not later than the end of the 180-day period begin-  
14 ning on the date of the enactment of this Act, the Securi-  
15 ties and Exchange Commission shall, in a manner that  
16 facilitates capital formation without compromising inves-  
17 tor protection—

18 (1) revise the definition of a qualifying invest-  
19 ment under paragraph (c) of section 275.203(l)–1 of  
20 title 17, Code of Federal Regulations—

21 (A) to include an equity security issued by  
22 a qualifying portfolio company, whether ac-  
23 quired directly from the company or in a sec-  
24 ondary acquisition; and



1 (B) to specify that an investment in an-  
2 other venture capital fund is a qualifying in-  
3 vestment under such definition; and

4 (2) revise paragraph (a) of such section to re-  
5 quire, as a condition of a private fund qualifying as  
6 a venture capital fund under such paragraph, that  
7 the qualifying investments of the private fund are ei-  
8 ther—

9 (A) predominantly qualifying investments  
10 that were acquired directly from a qualifying  
11 portfolio company; or

12 (B) predominantly qualifying investments  
13 in another venture capital fund or other venture  
14 capital funds.

15 **SEC. 2603. REPORTS.**

16 (a) GAO REPORT.—The Comptroller General of the  
17 United States shall issue a report to Congress on the risks  
18 and impacts of concentrated sectoral counterparty risk in  
19 the banking sector, in light of the failure of Silicon Valley  
20 Bank.

21 (b) ADVOCATE FOR SMALL BUSINESS CAPITAL FOR-  
22 MATION REPORT.—The Advocate for Small Business Cap-  
23 ital Formation shall issue a report to Congress and the  
24 Securities and Exchange Commission—

1 (1) examining the access to banking services for  
 2 venture funds and companies funded by venture cap-  
 3 ital, in light of the failure of Silicon Valley Bank, es-  
 4 pecially those funds and companies located outside  
 5 of the established technology and venture capital  
 6 hubs of California, Massachusetts, and New York;  
 7 and

8 (2) containing any policy recommendations of  
 9 the Advocate.

10 **TITLE VII—IMPROVING**  
 11 **CROWDFUNDING OPPORTUNI-**  
 12 **TIES**

13 **SEC. 2701. SHORT TITLE.**

14 This title may be cited as the “Improving  
 15 Crowdfunding Opportunities Act”.

16 **SEC. 2702. CROWDFUNDING REVISIONS.**

17 (a) EXEMPTION FROM STATE REGULATION.—Sec-  
 18 tion 18(b)(4)(A) of the Securities Act of 1933 (15 U.S.C.  
 19 77r(b)(4)(A)) is amended by striking “pursuant to sec-  
 20 tion” and all that follows through the semicolon at the  
 21 end and inserting the following: “pursuant to—

22 “(i) section 13 or 15(d) of the Securi-  
 23 ties Exchange Act of 1934 (15 U.S.C.  
 24 78m, 78o(d)); or

1                   “(ii) section 4A(b) or any regulation  
2                   issued under that section;”.

3           (b) LIABILITY FOR MATERIAL MISSTATEMENTS AND  
4 OMISSIONS.—Section 4A(c) of the Securities Act of 1933  
5 (15 U.S.C. 77d–1(c)) is amended—

6           (1) by redesignating paragraph (3) as para-  
7           graph (4); and

8           (2) by inserting after paragraph (2) the fol-  
9           lowing:

10           “(3) LIABILITY OF FUNDING PORTALS.—For  
11           the purposes of this subsection, a funding portal, as  
12           that term is defined in section 3(a) of the Securities  
13           Exchange Act of 1934 (15 U.S.C. 78c(a)), shall not  
14           be considered to be an issuer unless, in connection  
15           with the offer or sale of a security, the funding por-  
16           tal knowingly—

17           “(A) makes any untrue statement of a ma-  
18           terial fact or omits to state a material fact in  
19           order to make the statements made, in light of  
20           the circumstances under which they are made,  
21           not misleading; or

22           “(B) engages in any act, practice, or  
23           course of business which operates or would op-  
24           erate as a fraud or deceit upon any person.”.

1           (c) APPLICABILITY OF BANK SECRECY ACT RE-  
2 REQUIREMENTS.—

3           (1) SECURITIES ACT OF 1933.—Section 4A(a) of  
4 the Securities Act of 1933 (15 U.S.C. 77d–1(a)) is  
5 amended—

6           (A) in paragraph (11), by striking “and”  
7 at the end;

8           (B) in paragraph (12), by striking the pe-  
9 riod at the end and inserting “; and”; and

10           (C) by adding at the end the following:

11           “(13) not be subject to the recordkeeping and  
12 reporting requirements relating to monetary instru-  
13 ments under subchapter II of chapter 53 of title 31,  
14 United States Code.”.

15           (2) TITLE 31, UNITED STATES CODE.—Section  
16 5312 of title 31, United States Code, is amended by  
17 striking subsection (c) and inserting the following:

18           “(c) ADDITIONAL CLARIFICATION.—The term ‘finan-  
19 cial institution’ (as defined in subsection (a))—

20           “(1) includes any futures commission merchant,  
21 commodity trading advisor, or commodity pool oper-  
22 ator registered, or required to register, under the  
23 Commodity Exchange Act (7 U.S.C. 1 et seq.); and

1           “(2) does not include a funding portal, as that  
2           term is defined in section 3(a) of the Securities Ex-  
3           change Act of 1934 (15 U.S.C. 78c(a)).”.

4           (d) PROVISION OF IMPERSONAL INVESTMENT AD-  
5           VICE AND RECOMMENDATIONS.—Section 3(a) of the Secu-  
6           rities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amend-  
7           ed—

8           (1) by redesignating the second paragraph (80)  
9           (relating to funding portals) as paragraph (81); and

10           (2) in paragraph (81)(A), as so redesignated,  
11           by inserting after “recommendations” the following:  
12           “(other than by providing impersonal investment ad-  
13           vice by means of written material, or an oral state-  
14           ment, that does not purport to meet the objectives  
15           or needs of a specific individual or account)”.

16           (e) TARGET AMOUNTS OF CERTAIN EXEMPTED OF-  
17           FERINGS.—The Securities and Exchange Commission  
18           shall amend paragraph (t)(1) of section 227.201 of title  
19           17, Code of Federal Regulations so that such paragraph  
20           applies with respect to an issuer offering or selling securi-  
21           ties in reliance on section 4(a)(6) of the Securities Act  
22           of 1933 (15 U.S.C. 77d(a)(6)) if—

23           (1) the offerings of such issuer, together with  
24           all other amounts sold under such section 4(a)(6)  
25           within the preceding 12-month period, have, in the

1 aggregate, a target amount of more than \$124,000  
2 but not more than \$250,000;

3 (2) the financial statements of such issuer that  
4 have either been reviewed or audited by a public ac-  
5 countant that is independent of the issuer are un-  
6 available at the time of filing; and

7 (3) such issuer provides a statement that finan-  
8 cial information certified by the principal executive  
9 officer of the issuer has been provided instead of fi-  
10 nancial statements reviewed by a public accountant  
11 that is independent of the issuer.

12 (f) EXEMPTION AVAILABLE TO INVESTMENT COMPA-  
13 NIES.—Section 4A(f) of the Securities Act of 1933 (15  
14 U.S.C. 77d–1(f)) is amended—

15 (1) in paragraph (2), by inserting “or” after  
16 the semicolon;

17 (2) by striking paragraph (3); and

18 (3) by redesignating paragraph (4) as para-  
19 graph (3).

20 (g) NON-ACCREDITED INVESTOR REQUIREMENTS.—  
21 Section 4(a)(6) of the Securities Act of 1933 (15 U.S.C.  
22 77d(a)(6))) is amended—

23 (1) in subparagraph (A), by striking  
24 “\$1,000,000” and inserting “\$10,000,000”; and

1           (2) in subparagraph (B), by striking “does not  
2           exceed” and all that follows through “more than  
3           \$100,000” and inserting “does not exceed 10 per-  
4           cent of the annual income or net worth of such in-  
5           vestor”.

6           (h) TECHNICAL CORRECTION.—The Securities Act of  
7           1933 (15 U.S.C. 77a et seq.) is amended—

8           (1) by striking the term “section 4(6)” each  
9           place such term appears and inserting “section  
10          4(a)(6)”;

11          (2) by striking the term “section 4(6)(B)” each  
12          place such term appears and inserting “section  
13          4(a)(6)(B)”;

14          (3) in section 4A(f), by striking “Section 4(6)”  
15          and inserting “Section 4(a)(6)”; and

16          (4) in section 18(b)(4)(A), by striking “section  
17          4” and inserting “section 4(a)”.

## 18           **TITLE VIII—RESTORING THE** 19           **SECONDARY TRADING MARKET**

### 20           **SEC. 2801. SHORT TITLE.**

21           This title may be cited as the “Restoring the Sec-  
22           ondary Trading Market Act”.

### 23           **SEC. 2802. EXEMPTION FROM STATE REGULATION.**

24           Section 18(a) of the Securities Act of 1933 (15  
25           U.S.C. 77r(a)) is amended—

1 (1) in paragraph (2), by striking “or” at the  
2 end;

3 (2) in paragraph (3), by striking the period at  
4 the end and inserting “; or”; and

5 (3) by adding at the end the following:

6 “(4) shall directly or indirectly prohibit, limit,  
7 or impose any conditions upon the off-exchange sec-  
8 ondary trading (as such term is defined by the Com-  
9 mission) in securities of an issuer that makes cur-  
10 rent information publicly available, including—

11 “(A) the information required in the peri-  
12 odic and current reports described under para-  
13 graph (b) of section 230.257 of title 17, Code  
14 of Federal Regulations; or

15 “(B) the documents and information re-  
16 quired with respect to Tier 2 offerings, as de-  
17 fined in section 230.251(a) of title 17, Code of  
18 Federal Regulations.”.

19 **DIVISION C—INCREASING**  
20 **ACCESS TO PRIVATE MARKETS**  
21 **TITLE I—GIG WORKER EQUITY**  
22 **COMPENSATION**

23 **SEC. 3101. SHORT TITLE.**

24 This title may be cited as the “Gig Worker Equity  
25 Compensation Act”.



1 **SEC. 3102. EXTENSION OF RULE 701.**

2 (a) IN GENERAL.—The exemption provided under  
3 section 230.701 of title 17, Code of Federal Regulations,  
4 shall apply to individuals (other than employees) providing  
5 goods for sale, labor, or services for remuneration to either  
6 an issuer or to customers of an issuer to the same extent  
7 as such exemptions apply to employees of the issuer. For  
8 purposes of the previous sentence, the term “customers”  
9 may, at the election of an issuer, include users of the  
10 issuer’s platform.

11 (b) ADJUSTMENT FOR INFLATION.—The Securities  
12 and Exchange Commission shall annually adjust the dollar  
13 figure under section 230.701(e) of title 17, Code of Fed-  
14 eral Regulations, to reflect the percentage change in the  
15 Consumer Price Index for All Urban Consumers published  
16 by the Bureau of Labor Statistics of the Department of  
17 Labor.

18 (c) RULEMAKING.—The Securities and Exchange  
19 Commission—

20 (1) shall revise section 230.701 of title 17,  
21 Code of Federal Regulations, to reflect the require-  
22 ments of this section; and

23 (2) may not revise such section 230.701 in any  
24 manner that would have the effect of restricting ac-  
25 cess to equity compensation for employees or individ-  
26 uals described under subsection (a).

1 **SEC. 3103. GAO STUDY.**

2 Not later than the end of the 3-year period beginning  
3 on the date of enactment of this Act, the Comptroller Gen-  
4 eral of the United States shall carry out a study on the  
5 effects of this title and submit a report on such study to  
6 the Congress.

7 **TITLE II—INVESTMENT**  
8 **OPPORTUNITY EXPANSION**

9 **SEC. 3201. SHORT TITLE.**

10 This title may be cited as the “Investment Oppor-  
11 tunity Expansion Act”.

12 **SEC. 3202. INVESTMENT THRESHOLDS TO QUALIFY AS AN**  
13 **ACCREDITED INVESTOR.**

14 Section 2(a)(15) of the Securities Act of 1933 (15  
15 U.S.C. 77b(a)(15)) is amended—

16 (1) by striking “(15) The term ‘accredited in-  
17 vestor’ shall mean—” and inserting the following:

18 “(15) ACCREDITED INVESTOR.—

19 “(A) IN GENERAL.—The term ‘accredited  
20 investor’ means—”;

21 (2) in clause (i), by striking “or” at the end;

22 (3) in clause (ii), by striking the period at the  
23 end and inserting a semicolon; and

24 (4) by adding at the end the following:

25 “(iii) with respect to a proposed  
26 transaction, any individual whose aggre-

1 gate investment, at the completion of such  
2 transaction, in securities with respect to  
3 which there has not been a public offering  
4 is not more than 10 percent of the greater  
5 of—

6 “(I) the net assets of the indi-  
7 vidual; or

8 “(II) the annual income of the  
9 individual;”.

## 10 **TITLE III—RISK DISCLOSURE** 11 **AND INVESTOR ATTESTATION**

### 12 **SEC. 3301. SHORT TITLE.**

13 This title may be cited as the “Risk Disclosure and  
14 Investor Attestation Act”.

### 15 **SEC. 3302. INVESTOR ATTESTATION.**

16 (a) IN GENERAL.—Section 2(a)(15) of the Securities  
17 Act of 1933 (15 U.S.C. 77b(a)(15)), as amended by sec-  
18 tion 3202, is further amended by adding at the end the  
19 following:

20 “(iv) with respect to an issuer, any in-  
21 dividual that has attested to the issuer  
22 that the individual understands the risks of  
23 investment in private issuers, using such  
24 form as the Commission shall establish, by

1 rule, but which form may not be longer  
2 than 2 pages in length; or”.

3 (b) RULEMAKING.—Not later than the end of the 1-  
4 year period beginning on the date of enactment of this  
5 Act, the Securities and Exchange Commission shall issue  
6 rules to carry out the amendments made by subsection (a),  
7 including establishing the form required under such  
8 amendments.

9 **TITLE IV—ACCREDITED INVES-**  
10 **TORS INCLUDE INDIVIDUALS**  
11 **RECEIVING ADVICE FROM**  
12 **CERTAIN PROFESSIONALS**

13 **SEC. 3401. ACCREDITED INVESTORS INCLUDE INDIVIDUALS**  
14 **RECEIVING ADVICE FROM CERTAIN PROFES-**  
15 **SIONALS.**

16 (a) SECURITIES ACT OF 1933.—Section 2(a)(15) of  
17 the Securities Act of 1933 (15 U.S.C. 77b(a)(15)), as  
18 amended by sections 3202 and 3302, is further amended  
19 by adding at the end the following:

20 “(v) any individual receiving individ-  
21 ualized investment advice or individualized  
22 investment recommendations with respect  
23 to the applicable transaction from an indi-  
24 vidual described under section

1                   203.501(a)(10) of title 17, Code of Federal  
2                   Regulations.

3                   “(B) DEFINITIONS.—In subparagraph  
4                   (A)(v):

5                   “(i) INVESTMENT ADVICE.—The term  
6                   ‘investment advice’ shall be interpreted  
7                   consistently with the interpretation of the  
8                   phrase ‘engages in the business of advising  
9                   others, either directly or through publica-  
10                  tions or writings, as to the value of securi-  
11                  ties or as to the advisability of investing in,  
12                  purchasing, or selling securities’ under sec-  
13                  tion 202(a)(11) of the Investment Advisers  
14                  Act of 1940 (15 U.S.C. 80b–2(a)(11)).

15                  “(ii) INVESTMENT RECOMMENDA-  
16                  TION.—The term ‘investment recommenda-  
17                  tion’ shall be interpreted consistently with  
18                  the interpretation of the term ‘rec-  
19                  ommendation’ under section 240.15l-1 of  
20                  title 17, Code of Federal Regulations.”.

21                  (b) CONFORMING CHANGES TO REGULATIONS.—The  
22                  Securities and Exchange Commission shall revise section  
23                  203.501(a) of title 17, Code of Federal Regulations, and  
24                  any other definition of “accredited investor” in a rule of

1 the Commission in the same manner as such definition  
2 is revised under subsection (a).

3 **DIVISION D—HELPING ANGELS**  
4 **LEAD OUR STARTUPS**

5 **SEC. 4001. CLARIFICATION OF GENERAL SOLICITATION.**

6 (a) DEFINITIONS.—For purposes of this section and  
7 the revision of rules required under this section:

8 (1) ANGEL INVESTOR GROUP.—The term  
9 “angel investor group” means any group that—

10 (A) is composed of accredited investors in-  
11 terested in investing personal capital in early-  
12 stage companies;

13 (B) holds regular meetings and has defined  
14 processes and procedures for making invest-  
15 ment decisions, either individually or among the  
16 membership of the group as a whole; and

17 (C) is neither associated nor affiliated with  
18 brokers, dealers, or investment advisers.

19 (2) ISSUER.—The term “issuer” means an  
20 issuer that is a business, is not in bankruptcy or re-  
21 ceivership, is not an investment company, and is not  
22 a blank check, blind pool, or shell company.

23 (b) IN GENERAL.—Not later than 6 months after the  
24 date of enactment of this Act, the Securities and Ex-  
25 change Commission shall revise Regulation D (17 CFR

1 230.500 et seq.) to require that in carrying out the prohi-  
2 bition against general solicitation or general advertising  
3 contained in section 230.502(c) of title 17, Code of Fed-  
4 eral Regulations, the prohibition shall not apply to a pres-  
5 entation or other communication made by or on behalf of  
6 an issuer which is made at an event—

7 (1) sponsored by—

8 (A) the United States or any territory  
9 thereof, the District of Columbia, any State, a  
10 political subdivision of any State or territory, or  
11 any agency or public instrumentality of any of  
12 the foregoing;

13 (B) a college, university, or other institu-  
14 tion of higher education;

15 (C) a nonprofit organization;

16 (D) an angel investor group;

17 (E) a venture forum, venture capital asso-  
18 ciation, or trade association; or

19 (F) any other group, person, or entity as  
20 the Securities and Exchange Commission may  
21 determine by rule;

22 (2) where any advertising for the event does not  
23 reference any specific offering of securities by the  
24 issuer;

25 (3) the sponsor of which—

1 (A) does not make investment rec-  
2 ommendations or provide investment advice to  
3 event attendees;

4 (B) does not engage in an active role in  
5 any investment negotiations between the issuer  
6 and investors attending the event;

7 (C) does not charge event attendees any  
8 fees other than reasonable administrative fees;

9 (D) does not receive any compensation for  
10 making introductions between investors attend-  
11 ing the event and issuers, or for investment ne-  
12 gotiations between such parties;

13 (E) makes readily available to attendees a  
14 disclosure not longer than one page in length,  
15 as prescribed by the Securities and Exchange  
16 Commission, describing the nature of the event  
17 and the risks of investing in the issuers pre-  
18 senting at the event; and

19 (F) does not receive any compensation  
20 with respect to such event that would require  
21 registration of the sponsor as a broker or a  
22 dealer under the Securities Exchange Act of  
23 1934, or as an investment advisor under the In-  
24 vestment Advisers Act of 1940; and



1           (4) where no specific information regarding an  
2 offering of securities by the issuer is communicated  
3 or distributed by or on behalf of the issuer, other  
4 than—

5           (A) that the issuer is in the process of of-  
6 fering securities or planning to offer securities;

7           (B) the type and amount of securities  
8 being offered;

9           (C) the amount of securities being offered  
10 that have already been subscribed for; and

11           (D) the intended use of proceeds of the of-  
12 fering.

13       (c) **RULE OF CONSTRUCTION.**—Subsection (b) may  
14 only be construed as requiring the Securities and Ex-  
15 change Commission to amend the requirements of Regula-  
16 tion D with respect to presentations and communications,  
17 and not with respect to purchases or sales.

18       (d) **NO PRE-EXISTING SUBSTANTIVE RELATIONSHIP**  
19 **BY REASON OF EVENT.**—Attendance at an event de-  
20 scribed under subsection (b) shall not qualify, by itself,  
21 as establishing a pre-existing substantive relationship be-  
22 tween an issuer and a purchaser, for purposes of Rule  
23 506(b).

1           **DIVISION E—IMPROVING**  
2           **DISCLOSURE FOR INVESTORS**

3   **SEC. 5001. SHORT TITLE.**

4           This division may be cited as the “Improving Dislo-  
5   sure for Investors Act of 2024”.

6   **SEC. 5002. ELECTRONIC DELIVERY.**

7           (a) **PROMULGATION OF RULES.**—Not later than 180  
8   days after the date of the enactment of this section, the  
9   Securities and Exchange Commission shall propose and,  
10   not later than 1 year after the date of the enactment of  
11   this section, the Commission shall finalize, rules, regula-  
12   tions, amendments, or interpretations, as appropriate, to  
13   allow a covered entity to satisfy the entity’s obligation to  
14   deliver regulatory documents required under the securities  
15   laws to investors using electronic delivery.

16           (b) **REQUIRED PROVISIONS.**—Rules, regulations,  
17   amendments, or interpretations the Commission promul-  
18   gates pursuant to subsection (a) shall:

19               (1) With respect to investors that do not receive  
20               all regulatory documents by electronic delivery, pro-  
21               vide for—

22                       (A) delivery of an initial communication in  
23                       paper form regarding electronic delivery;

24                       (B) a transition period not to exceed 180  
25                       days until such regulatory documents are deliv-

1           ered to such investors by electronic delivery;  
2           and

3                   (C) during a period not to exceed 2 years  
4           following the transition period set forth in sub-  
5           paragraph (B), delivery of an annual notice in  
6           paper form solely reminding such investors of  
7           the ability to opt out of electronic delivery at  
8           any time and receive paper versions of regu-  
9           latory documents.

10           (2) Set forth requirements for the content of  
11           the initial communication described in paragraph  
12           (1)(A).

13           (3) Set forth requirements for the timing of de-  
14           livery of a notice of website availability of regulatory  
15           documents and the content of the appropriate notice  
16           described in subsection (h)(3)(B).

17           (4) Provide a mechanism for investors to opt  
18           out of electronic delivery at any time and receive  
19           paper versions of regulatory documents.

20           (5) Require measures reasonably designed to  
21           identify and remediate failed electronic deliveries of  
22           regulatory documents.

23           (6) Set forth minimum requirements regarding  
24           readability and retainability for regulatory docu-  
25           ments that are delivered electronically.

1           (7) For covered entities other than brokers,  
2           dealers, investment advisers registered with the  
3           Commission, and investment companies, require  
4           measures reasonably designed to ensure the con-  
5           fidentiality of personal information in regulatory  
6           documents that are delivered to investors electroni-  
7           cally.

8           (c) RULE OF CONSTRUCTION.—Nothing in this sec-  
9           tion shall be construed as altering the substance or timing  
10          of any regulatory document obligation under the securities  
11          laws or regulations of a self-regulatory organization.

12          (d) TREATMENT OF REVISIONS NOT COMPLETED IN  
13          A TIMELY MANNER.—If the Commission fails to finalize  
14          the rules, regulations, amendments, or interpretations re-  
15          quired under subsection (a) before the date specified in  
16          such subsection—

17                 (1) a covered entity may deliver regulatory doc-  
18                 uments using electronic delivery in accordance with  
19                 subsections (b) and (c); and

20                 (2) such electronic delivery shall be deemed to  
21                 satisfy the obligation of the covered entity to deliver  
22                 regulatory documents required under the securities  
23                 laws.

24          (e) OTHER REQUIRED ACTIONS.—

1           (1) REVIEW OF RULES.—The Commission  
2 shall—

3           (A) within 180 days of the date of enact-  
4 ment of this Act, conduct a review of the rules  
5 and regulations of the Commission to determine  
6 whether any such rules or regulations require  
7 delivery of written documents to investors; and

8           (B) within 1 year of the date of enactment  
9 of this Act, promulgate amendments to such  
10 rules or regulations to provide that any require-  
11 ment to deliver a regulatory document “in writ-  
12 ing” may be satisfied by electronic delivery.

13           (2) ACTIONS BY SELF-REGULATORY ORGANIZA-  
14 TIONS.—Each self-regulatory organization shall  
15 adopt rules and regulations, or amend the rules and  
16 regulations of the self-regulatory organization, con-  
17 sistent with this Act and consistent with rules, regu-  
18 lations, amendments, or interpretations finalized by  
19 the Commission pursuant to subsection (a).

20           (3) RULE OF APPLICATION.—This subsection  
21 shall not apply to a rule or regulation issued pursu-  
22 ant to a Federal statute if that Federal statute spe-  
23 cifically requires delivery of written documents to in-  
24 vestors.

25           (f) DEFINITIONS.—In this section:

1           (1) COMMISSION.—The term “Commission”  
2 means the Securities and Exchange Commission.

3           (2) COVERED ENTITY.—The term “covered en-  
4 tity” means—

5                   (A) an investment company (as defined in  
6 section 3(a)(1) of the Investment Company Act  
7 of 1940 (15 U.S.C. 80a-3(a)(1))) that is reg-  
8 istered under such Act;

9                   (B) a business development company (as  
10 defined in section 2(a) the Investment Company  
11 Act of 1940 (15 U.S.C. 80a-2(a))) that has  
12 elected to be regulated as such under such Act;

13                   (C) a registered broker or dealer (as de-  
14 fined in section 3(a)(4) and section 3(a)(5) of  
15 the Securities Exchange Act of 1934) (15  
16 U.S.C. 78c(a)(4) & 78c(a)(5));

17                   (D) a registered municipal securities dealer  
18 (as defined in section 3(a)(30) of the Securities  
19 Exchange Act of 1934) (15 U.S.C. 78c(a)(30));

20                   (E) a registered government securities  
21 broker or government securities dealer (as de-  
22 fined in section 3(a)(43) and section 3(a)(44) of  
23 the Securities Exchange Act of 1934) (15  
24 U.S.C. 78c(a)(43) & 78c(a)(44));

1 (F) a registered investment adviser (as de-  
2 fined in section 202(a)(11) of the Investment  
3 Advisers Act of 1940) (15 U.S.C. 80b-  
4 1(a)(11));

5 (G) a registered transfer agent (as defined  
6 in section 3(a)(25) of the Securities Exchange  
7 Act of 1934) (15 U.S.C. 78c(a)(25)); or

8 (H) a registered funding portal (as defined  
9 in the second paragraph (80) of section 3(a) of  
10 the Securities Exchange Act of 1934) (15  
11 U.S.C. 78c(a)(80)).

12 (3) ELECTRONIC DELIVERY.—The term “elec-  
13 tronic delivery”, with respect to regulatory docu-  
14 ments, includes—

15 (A) the direct delivery of such regulatory  
16 document to an electronic address of an inves-  
17 tor;

18 (B) the posting of such regulatory docu-  
19 ment to a website and direct electronic delivery  
20 of an appropriate notice of the availability of  
21 the regulatory document to the investor; and

22 (C) an electronic method reasonably de-  
23 signed to ensure receipt of such regulatory docu-  
24 ment by the investor.

1           (4) REGULATORY DOCUMENTS.—The term  
2 “regulatory documents” includes—

3           (A) prospectuses meeting the requirements  
4 of section 10(a) of the Securities Act of 1933  
5 (15 U.S.C. 77j(a));

6           (B) summary prospectuses meeting the re-  
7 quirements of—

8                 (i) section 230.498 of title 17, Code of  
9 Federal Regulations; or

10                (ii) section 230.498A of title 17, Code  
11 of Federal Regulations;

12           (C) statements of additional information,  
13 as described under section 270.30e-3(h)(3) of  
14 title 17, Code of Federal Regulations;

15           (D) annual and semi-annual reports to in-  
16 vestors meeting the requirements of section  
17 30(e) of the Investment Company Act of 1940  
18 (15 U.S.C. 80a-29(e));

19           (E) notices meeting the requirements  
20 under section 270.19a-1 of title 17, Code of  
21 Federal Regulations;

22           (F) confirmations and account statements  
23 meeting the requirements under section  
24 240.10b-10 of title 17, Code of Federal Regula-  
25 tions;



1 (G) proxy statements meeting the require-  
2 ments under section 240.14a-3 of title 17,  
3 Code of Federal Regulations;

4 (H) privacy notices meeting the require-  
5 ments of Regulation S-P under subpart A of  
6 part 248 of title 17, Code of Federal Regula-  
7 tions;

8 (I) affiliate marketing notices meeting the  
9 requirements of Regulation S-AM under sub-  
10 part B of part 248 of title 17, Code of Federal  
11 Regulations; and

12 (J) all other regulatory documents re-  
13 quired to be delivered by covered entities to in-  
14 vestors under the securities laws and the rules  
15 and regulations of the Commission and the self-  
16 regulatory organizations.

17 (5) SECURITIES LAWS.—The term “securities  
18 laws” has the meaning given the term in section  
19 3(a) of the Securities Exchange Act of 1934 (15  
20 U.S.C. 78c(a)).

21 (6) SELF-REGULATORY ORGANIZATION.—The  
22 term “self-regulatory organization” means—

23 (A) a self-regulatory organization, as de-  
24 fined in section 2(a)(26) of the Securities Ex-

1 change Act of 1934 (15 U.S.C. 78c(a)(26));  
2 and

3 (B) the Municipal Securities Rulemaking  
4 Board.

5 (7) WEBSITE.—The term “website” means an  
6 internet website or other digital, internet, or elec-  
7 tronic-based information repository, such as a mobile  
8 application, to which an investor of a covered entity  
9 has been provided reasonable access.

## 10 **DIVISION F—ENHANCEMENT OF** 11 **403(b) PLANS**

### 12 **SEC. 6101. SHORT TITLE.**

13 This division may be cited as the “Retirement Fair-  
14 ness for Charities and Educational Institutions Act of  
15 2024”.

### 16 **SEC. 6102. ENHANCEMENT OF 403(b) PLANS.**

17 (a) AMENDMENTS TO THE INVESTMENT COMPANY  
18 ACT OF 1940.—Section 3(c)(11) of the Investment Com-  
19 pany Act of 1940 (15 U.S.C. 80a–3(c)(11)) is amended  
20 to read as follows:

21 “(11) Any—

22 “(A) employee’s stock bonus, pension, or  
23 profit-sharing trust which meets the require-  
24 ments for qualification under section 401 of the  
25 Internal Revenue Code of 1986;

1           “(B) custodial account meeting the re-  
2           quirements of section 403(b)(7) of such Code;

3           “(C) governmental plan described in sec-  
4           tion 3(a)(2)(C) of the Securities Act of 1933;

5           “(D) collective trust fund maintained by a  
6           bank consisting solely of assets of one or  
7           more—

8                   “(i) trusts described in subparagraph  
9                   (A);

10                   “(ii) government plans described in  
11                   subparagraph (C);

12                   “(iii) church plans, companies, or ac-  
13                   counts that are excluded from the defini-  
14                   tion of an investment company under para-  
15                   graph (14) of this subsection; or

16                   “(iv) plans which meet the require-  
17                   ments of section 403(b) of the Internal  
18                   Revenue Code of 1986—

19                           “(I) if—

20                                   “(aa) such plan is subject to  
21                                   title I of the Employee Retirement  
22                                   Income Security Act of  
23                                   1974 (29 U.S.C. 1001 et seq.);

24                                   “(bb) any employer making  
25                                   such plan available agrees to

1 serve as a fiduciary for the plan  
2 with respect to the selection of  
3 the plan’s investments among  
4 which participants can choose; or

5 “(cc) such plan is a govern-  
6 mental plan (as defined in sec-  
7 tion 414(d) of such Code); and

8 “(II) if the employer, a fiduciary  
9 of the plan, or another person acting  
10 on behalf of the employer reviews and  
11 approves each investment alternative  
12 offered under such plan described  
13 under subclause (I)(cc) prior to the  
14 investment being offered to partici-  
15 pants in the plan; or

16 “(E) separate account the assets of which  
17 are derived solely from—

18 “(i) contributions under pension or  
19 profit-sharing plans which meet the re-  
20 quirements of section 401 of the Internal  
21 Revenue Code of 1986 or the requirements  
22 for deduction of the employer’s contribu-  
23 tion under section 404(a)(2) of such Code;

24 “(ii) contributions under govern-  
25 mental plans in connection with which in-

1           terests, participations, or securities are ex-  
2           empted from the registration provisions of  
3           section 5 of the Securities Act of 1933 by  
4           section 3(a)(2)(C) of such Act;

5           “(iii) advances made by an insurance  
6           company in connection with the operation  
7           of such separate account; and

8           “(iv) contributions to a plan described  
9           in clause (iii) or (iv) of subparagraph  
10          (D).”.

11          (b) AMENDMENTS TO THE SECURITIES ACT OF  
12 1933.—Section 3(a)(2) of the Securities Act of 1933 (15  
13 U.S.C. 77c(a)(2)) is amended—

14           (1) by striking “beneficiaries, or (D)” and in-  
15           serting “beneficiaries, (D) a plan which meets the  
16           requirements of section 403(b) of such Code (i) if  
17           (I) such plan is subject to title I of the Employee  
18           Retirement Income Security Act of 1974 (29 U.S.C.  
19           1001 et seq.), (II) any employer making such plan  
20           available agrees to serve as a fiduciary for the plan  
21           with respect to the selection of the plan’s invest-  
22           ments among which participants can choose, or (III)  
23           such plan is a governmental plan (as defined in sec-  
24           tion 414(d) of such Code), and (ii) if the employer,  
25           a fiduciary of the plan, or another person acting on

1       behalf of the employer reviews and approves each in-  
2       vestment alternative offered under any plan de-  
3       scribed under clause (i)(III) prior to the investment  
4       being offered to participants in the plan, or (E)”;

5               (2) by striking “(C), or (D)” and inserting  
6       “(C), (D), or (E)”; and

7               (3) by striking “(iii) which is a plan funded”  
8       and all that follows through “retirement income ac-  
9       count).” and inserting “(iii) in the case of a plan not  
10      described in subparagraph (D) or (E), which is a  
11      plan funded by an annuity contract described in sec-  
12      tion 403(b) of such Code”.

13      (c) AMENDMENTS TO THE SECURITIES EXCHANGE  
14      ACT OF 1934.—Section 3(a)(12)(C) of the Securities Ex-  
15      change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amend-  
16      ed—

17              (1) by striking “or (iv)” and inserting “(iv) a  
18      plan which meets the requirements of section 403(b)  
19      of such Code (I) if (aa) such plan is subject to title  
20      I of the Employee Retirement Income Security Act  
21      of 1974 (29 U.S.C. 1001 et seq.), (bb) any employer  
22      making such plan available agrees to serve as a fidu-  
23      ciary for the plan with respect to the selection of the  
24      plan’s investments among which participants can  
25      choose, or (cc) such plan is a governmental plan (as

1 defined in section 414(d) of such Code), and (II) if  
 2 the employer, a fiduciary of the plan, or another per-  
 3 son acting on behalf of the employer reviews and ap-  
 4 proves each investment alternative offered under any  
 5 plan described under subclause (I)(cc) prior to the  
 6 investment being offered to participants in the plan,  
 7 or (v)”;

8 (2) by striking “(ii), or (iii)” and inserting  
 9 “(ii), (iii), or (iv)”;

10 (3) by striking “(II) is a plan funded” and in-  
 11 sserting “(II) in the case of a plan not described in  
 12 clause (iv), is a plan funded”.

13 (d) CONFORMING AMENDMENT TO THE SECURITIES  
 14 EXCHANGE ACT OF 1934.—Section 12(g)(2)(H) of the  
 15 Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(2)(H))  
 16 is amended by striking “or (iii)” and inserting “(iii) a plan  
 17 described in section 3(a)(12)(C)(iv) of this Act, or (iv)”.

18 **DIVISION G—INCREASING**  
 19 **INVESTOR OPPORTUNITIES**

20 **SEC. 7001. CLOSED-END COMPANY AUTHORITY TO INVEST**  
 21 **IN PRIVATE FUNDS.**

22 (a) IN GENERAL.—Section 5 of the Investment Com-  
 23 pany Act of 1940 (15 U.S.C. 80a-5) is amended by add-  
 24 ing at the end the following:

1       “(d) CLOSED-END COMPANY AUTHORITY TO INVEST  
2 IN PRIVATE FUNDS.—

3           “(1) IN GENERAL.—Except as otherwise pro-  
4 hibited or restricted by this Act (or any rule issued  
5 under this Act), the Commission may not prohibit or  
6 otherwise limit a closed-end company from investing  
7 any or all of the assets of the closed-end company  
8 in securities issued by private funds.

9           “(2) OTHER RESTRICTIONS ON COMMISSION AU-  
10 THORITY.—

11           “(A) IN GENERAL.—Except as otherwise  
12 prohibited or restricted by this Act (or any rule  
13 issued under this Act) or to the extent per-  
14 mitted by subparagraph (B), the Commission  
15 may not impose any condition on, restrict, or  
16 otherwise limit—

17           “(i) the offer to sell, or the sale of, se-  
18 curities issued by a closed-end company  
19 that invests, or proposes to invest, in secu-  
20 rities issued by private funds; or

21           “(ii) the listing of the securities of a  
22 closed-end company described in clause (i)  
23 on a national securities exchange.

24           “(B) UNRELATED RESTRICTIONS.—The  
25 Commission may impose a condition on, re-



1 strict, or otherwise limit an activity described in  
2 clause (i) or (ii) of subparagraph (A) if that  
3 condition, restriction or limitation is unrelated  
4 to the underlying characteristics of a private  
5 fund or the status of a private fund as a private  
6 fund.

7 “(3) APPLICATION.—Notwithstanding section  
8 6(f), this subsection shall also apply to a closed-end  
9 company that elects to be treated as a business de-  
10 velopment company pursuant to section 54.”.

11 (b) DEFINITION OF PRIVATE FUND.—Section 2(a) of  
12 the Investment Company Act of 1940 (15 U.S.C. 80a-  
13 2(a)) is amended by adding at the end the following:

14 “(55) The term ‘private fund’ has the meaning  
15 given in section 202(a) of the Investment Advisers  
16 Act of 1940 (15 U.S.C. 80b-2(a)).”.

17 (c) TREATMENT BY NATIONAL SECURITIES EX-  
18 CHANGES.—Section 6 of the Securities Exchange Act of  
19 1934 (15 U.S.C. 78f) is amended by adding at the end  
20 the following:

21 “(m)(1) Except as otherwise prohibited or restricted  
22 by rules of the exchange that are consistent with section  
23 5(d) of the Investment Company Act of 1940 (15 U.S.C.  
24 80a-5(d)), an exchange may not prohibit, condition, re-  
25 strict, or impose any other limitation on the listing or

1 trading of the securities of a closed-end company when  
2 the closed-end company invests, or may invest, some or  
3 all of the assets of the closed-end company in securities  
4 issued by private funds.

5 “(2) In this subsection—

6 “(A) the term ‘closed-end company’—

7 “(i) has the meaning given the term in sec-  
8 tion 5(a) of the Investment Company Act of  
9 1940 (15 U.S.C. 80a-5(a)); and

10 “(ii) includes a closed-end company that  
11 elects to be treated as a business development  
12 company pursuant to section 54 of the Invest-  
13 ment Company Act of 1940 (15 U.S.C. 80a-  
14 53); and

15 “(B) the term ‘private fund’ has the meaning  
16 given the term in section 2(a) of the Investment  
17 Company Act of 1940 (15 U.S.C. 80a-2(a)).”.

18 (d) INVESTMENT LIMITATION.—Section 3(c) of the  
19 Investment Company Act of 1940 (15 U.S.C. 80a-3(c))  
20 is amended—

21 (1) in paragraph (1), in the matter preceding  
22 subparagraph (A), in the second sentence, by strik-  
23 ing “subparagraphs (A)(i) and (B)(i)” and inserting  
24 “subparagraphs (A)(i), (B)(i), and (C)”; and

1           (2) in paragraph (7)(D), by striking “subpara-  
2           graphs (A)(i) and (B)(i)” and inserting “subpara-  
3           graphs (A)(i), (B)(i), and (C)”.

4           (e) RULES OF CONSTRUCTION.—

5           (1) Nothing in this section or the amendments  
6           made by this section may be construed to limit or  
7           amend any fiduciary duty owed to a closed-end com-  
8           pany (as defined in section 5(a)(2) of the Investment  
9           Company Act of 1940 (15 U.S.C. 80a-5(a)(2))) or  
10          by an investment adviser (as defined under section  
11          2(a) of the Investment Company Act of 1940 (15  
12          U.S.C. 80a-2(a))) to a closed-end company.

13          (2) Nothing in this section or the amendments  
14          made by this section may be construed to limit or  
15          amend the valuation, liquidity, or redemption re-  
16          quirements or obligations of a closed-end company  
17          (as defined in section 5(a)(2) of the Investment  
18          Company Act of 1940 (15 U.S.C. 80a-5(a)(2))) as  
19          required by the Investment Company Act of 1940.  
        Passed the House of Representatives March 8,  
2024.

Attest:

KEVIN F. MCCUMBER,

*Clerk.*