

AUGUST 29, 2016

RULES COMMITTEE PRINT 114-62
TEXT OF H.R. 2357, ACCELERATING ACCESS TO
CAPITAL ACT OF 2015

[Showing the text of H.R. 2357 as reported, and H.R. 4850 and H.R. 4852 as ordered reported; all by the Committee on Financial Services.]

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Accelerating Access
3 to Capital Act of 2016”.

4 **TITLE I—ACCELERATING**
5 **ACCESS TO CAPITAL**

6 **SEC. 1. EXPANDED ELIGIBILITY FOR USE OF FORM S-3.**

7 Not later than 45 days after the date of the enact-
8 ment of this Act, the Securities and Exchange Commission
9 shall revise Form S-3—

10 (1) so as to permit securities to be registered
11 pursuant to General Instruction I.B.1. of such form
12 provided that either—

13 (A) the aggregate market value of the vot-
14 ing and non-voting common equity held by non-
15 affiliates of the registrant is \$75,000,000 or
16 more; or

1 (B) the registrant has at least one class of
2 common equity securities listed and registered
3 on a national securities exchange; and

4 (2) so as to remove the requirement of para-
5 graph (c) from General Instruction I.B.6. of such
6 form.

7 **TITLE II—MICRO-OFFERING** 8 **SAFE HARBOR**

9 **SEC. 2. EXEMPTIONS FOR MICRO-OFFERINGS.**

10 (a) IN GENERAL.—Section 4 of the Securities Act of
11 1933 (15 U.S.C. 77d) is amended—

12 (1) in subsection (a), by adding at the end the
13 following:

14 “(8) transactions meeting the requirements of
15 subsection (f).”; and

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

17 “(f) CERTAIN MICRO-OFFERINGS.—

18 “(1) IN GENERAL.—Except as provided in para-
19 graph (2), the transactions referred to in subsection
20 (a)(8) are transactions involving the sale of securi-
21 ties by an issuer (including all entities controlled by
22 or under common control with the issuer) that meet
23 all of the following requirements:

24 “(A) PRE-EXISTING RELATIONSHIP.—Each
25 purchaser has a substantive pre-existing rela-

1 tionship with an officer of the issuer, a director
2 of the issuer, or a shareholder holding 10 per-
3 cent or more of the shares of the issuer.

4 “(B) 35 OR FEWER PURCHASERS.—There
5 are no more than, or the issuer reasonably be-
6 lieves that there are no more than, 35 pur-
7 chasers of securities from the issuer that are
8 sold in reliance on the exemption provided
9 under subsection (a)(8) during the 12-month
10 period preceding such transaction.

11 “(C) SMALL OFFERING AMOUNT.—The ag-
12 gregate amount of all securities sold by the
13 issuer, including any amount sold in reliance on
14 the exemption provided under subsection (a)(8),
15 during the 12-month period preceding such
16 transaction, does not exceed \$500,000.

17 “(2) DISQUALIFICATION.—

18 “(A) IN GENERAL.—The exemption pro-
19 vided under subsection (a)(8) shall not be avail-
20 able for a transaction involving a sale of securi-
21 ties if any person described in subparagraph
22 (B) would have triggered disqualification pursu-
23 ant to section 230.506(d) of title 17, Code of
24 Federal Regulations.

1 “(B) PERSONS DESCRIBED.—The persons
2 described in this subparagraph are the fol-
3 lowing:

4 “(i) The issuer.

5 “(ii) Any predecessor of the issuer.

6 “(iii) Any affiliated issuer.

7 “(iv) Any director, executive officer,
8 other officer participating in the offering,
9 general partner, or managing member of
10 the issuer.

11 “(v) Any beneficial owner of 20 per-
12 cent or more of the issuer’s outstanding
13 voting equity securities, calculated on the
14 basis of voting power.

15 “(vi) Any promoter connected with
16 the issuer in any capacity at the time of
17 such sale.

18 “(vii) Any investment manager of an
19 issuer that is a pooled investment fund.

20 “(viii) Any person that has been or
21 will be paid (directly or indirectly) remu-
22 neration for solicitation of purchasers in
23 connection with such sale of securities.

1 “(ix) Any general partner or man-
2 aging member of any such investment
3 manager or solicitor.

4 “(x) Any director, executive officer, or
5 other officer participating in the offering of
6 any such investment manager or solicitor
7 or general partner or managing member of
8 such investment manager or solicitor.”.

9 (b) EXEMPTION UNDER STATE REGULATIONS.—Sec-
10 tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.
11 77r(b)(4)) is amended—

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

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

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

17 “(H) section 4(a)(8).”.

18 **TITLE III—PRIVATE PLACEMENT**
19 **IMPROVEMENT**

20 **SEC. 3. REVISIONS TO SEC REGULATION D.**

21 Not later than 45 days following the date of the en-
22 actment of this Act, the Securities and Exchange Commis-
23 sion shall revise Regulation D (17 C.F.R. 501 et seq.) in
24 accordance with the following:

1 (1) The Commission shall revise Form D filing
2 requirements to require an issuer offering or selling
3 securities in reliance on an exemption provided
4 under Rule 506 of Regulation D to file with the
5 Commission a single notice of sales containing the
6 information required by Form D for each new offer-
7 ing of securities no earlier than 15 days after the
8 date of the first sale of securities in the offering.
9 The Commission shall not require such an issuer to
10 file any notice of sales containing the information re-
11 quired by Form D except for the single notice de-
12 scribed in the previous sentence.

13 (2) The Commission shall make the information
14 contained in each Form D filing available to the se-
15 curities commission (or any agency or office per-
16 forming like functions) of each State and territory of
17 the United States and the District of Columbia.

18 (3) The Commission shall not condition the
19 availability of any exemption for an issuer under
20 Rule 506 of Regulation D (17 C.F.R. 230.506) on
21 the issuer's or any other person's filing with the
22 Commission of a Form D or any similar report.

23 (4) The Commission shall not require issuers to
24 submit written general solicitation materials to the
25 Commission in connection with a Rule 506(c) offer-

1 ing, except when the Commission requests such ma-
2 terials pursuant to the Commission’s authority
3 under section 8A or section 20 of the Securities Act
4 of 1933 (15 U.S.C. 77h–1 or 77t) or section 9,
5 10(b), 21A, 21B, or 21C of the Securities Exchange
6 Act of 1934 (15 U.S.C. 78i, 78j(b), 78u–1, 78u–2,
7 or 78u–3).

8 (5) The Commission shall not extend the re-
9 quirements contained in Rule 156 to private funds.

10 (6) The Commission shall revise Rule 501(a) of
11 Regulation D to provide that a person who is a
12 “knowledgeable employee” of a private fund or the
13 fund’s investment adviser, as defined in Rule 3c-
14 5(a)(4) (17 C.F.R. 270.3c–5(a)(4)), shall be an ac-
15 credited investor for purposes of a Rule 506 offering
16 of a private fund with respect to which the person
17 is a knowledgeable employee.

