

Suspend the Rules and Pass the Bill, H.R. 2797, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

118TH CONGRESS
1ST SESSION

H. R. 2797

To amend the Securities Act of 1933 to require certification examinations for accredited investors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2023

Mr. FLOOD (for himself and Mr. NICKEL) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Act of 1933 to require certification examinations for accredited investors, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Equal Opportunity for
5 All Investors Act of 2023”.

1 **SEC. 2. CERTIFICATION EXAMINATIONS FOR ACCREDITED**
2 **INVESTORS.**

3 (a) IN GENERAL.—The Securities and Exchange
4 Commission shall revise the definition of “accredited in-
5 vestor” under Regulation D (section 230.501 of title 15,
6 Code of Federal Regulations) to include any natural per-
7 son who is certified through the examination required
8 under subsection (b).

9 (b) ESTABLISHMENT OF EXAMINATION.—Not later
10 than 1 year after the date of the enactment of this Act,
11 the Securities and Exchange Commission shall establish
12 an examination (including a test, certification, or examina-
13 tion program)—

14 (1) to certify an individual as an accredited in-
15 vestor; and

16 (2) that—

17 (A) is designed with an appropriate level of
18 difficulty such that an individual with financial
19 sophistication would be unlikely to fail; and

20 (B) includes methods to determine whether
21 an individual seeking to be certified as an ac-
22 credited investor demonstrates competency with
23 respect to—

24 (i) the different types of securities;

25 (ii) the disclosure requirements under
26 the securities laws applicable to issuers

1 and private companies as compared to
2 public companies;

3 (iii) corporate governance;

4 (iv) financial statements and the com-
5 ponents of such statements;

6 (v) aspects of unregistered securities,
7 securities issued by private companies, and
8 investments into private funds, including
9 risks associated with—

10 (I) limited liquidity;

11 (II) limited disclosures;

12 (III) variance in valuation meth-
13 ods;

14 (IV) information asymmetry;

15 (V) leverage risks;

16 (VI) concentration risk; and

17 (VII) longer investment horizons;

18 (vi) potential conflicts of interest,
19 when the interests of the financial profes-
20 sionals and their clients are misaligned or

21 when their professional responsibilities are
22 compromised by financial motivations; and

23 (vii) other criteria the Commission de-
24 termines necessary or appropriate in the

1 public interest or for the protection of in-
2 vestors.

3 (c) ADMINISTRATION.—Beginning not later than 180
4 days after the date the examination is established under
5 subsection (b), such examination shall be administered
6 and offered free of charge to the public by a registered
7 national securities association under section 15A of the
8 Securities Exchange Act of 1934 (15 U.S.C. 78o–3).