

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2797
OFFERED BY MR. FLOOD OF NEBRASKA**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. CERTIFICATION EXAMINATIONS FOR ACCREDITED**
5 **INVESTORS.**

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

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

17 (1) to certify an individual as an accredited in-
18 vestor; and

1 (2) that—

2 (A) is designed with an appropriate level of
3 difficulty such that an individual with financial
4 sophistication would be unlikely to fail;

5 (B) includes methods to determine whether
6 an individual seeking to be certified as an ac-
7 credited investor demonstrates competency with
8 respect to—

9 (i) the different types of securities;

10 (ii) the disclosure requirements under
11 the securities laws applicable to issuers
12 and private companies as compared to
13 public companies;

14 (iii) corporate governance;

15 (iv) financial statements and the com-
16 ponents of such statements;

17 (v) aspects of unregistered securities,
18 securities issued by private companies, and
19 investments into private funds, including
20 risks associated with—

21 (I) limited liquidity;

22 (II) limited disclosures;

23 (III) variance in valuation meth-
24 ods;

25 (IV) information asymmetry;

1 (V) leverage risks;
2 (VI) concentration risk; and
3 (VII) longer investment horizons;
4 (vi) potential conflicts of interest,
5 when the interests of the financial profes-
6 sionals and their clients are misaligned or
7 when their professional responsibilities are
8 compromised by financial motivations; and
9 (vii) other criteria the Commission de-
10 termines necessary or appropriate in the
11 public interest or for the protection of in-
12 vestors.

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

