H. R. ____

To require the Securities Exchange Commission to submit a report to Congress about private securities offerings, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M_. ____________ introduced the following bill; which was referred to the Committee on ______________________

A BILL

To require the Securities Exchange Commission to submit a report to Congress about private securities offerings, and for other purposes.

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

SECTION 1. SEC STUDY ABOUT PRIVATE SECURITIES OFFERINGS.

(a) IN GENERAL.—The Securities Exchange Commission shall conduct a study about private securities offerings as described in subsection (b) and submit a report
about such study to the Congress before finalizing any qualifying modification.

(b) **Private Securities Offerings Study.**—In conducting the study required by subsection (a), the Commission shall identify—

1. the classes of investors expected to be impacted by the qualifying modification, including retail investors, accredited investors, and qualified institutional buyers;

2. the number of investors expected to be impacted by the qualifying modification;

3. in the case of a qualifying modification that would establish a new exemption from registration under the Securities Act of 1933, the size of offerings expected under the new exemption and the types of issuers (including financial and nonfinancial issuers) expected to use the new exemption;

4. in the case of a qualifying modification that would make a change to any rule relating to an exemption from registration under the Securities Act of 1933, any expected impact on—

   A. the size of offerings made in reliance on such rule; and
(B) the types of issuers (including financial and nonfinancial issuers) expected to rely on the exemption to which the rule relates;

(5) any impact the qualifying modification will have on competition between investors of different levels of sophistication, including the extent to which issuers might offer investors of different sophistication levels varying amounts of information and varying terms and rights;

(6) any impact the qualifying modification will have on disclosures of information by issuers to natural person investors;

(7) the basis for investor demand for offerings of securities exempt from registration under the Securities Act of 1933, including for different classes of investors (including retail investors, accredited investors, and qualified institutional buyers);

(8) the reasons for issuer use of any exemption to be created or changed by the qualifying modification, including whether use of the exemption is related to issuer access to natural person investors;

(9) any impact the qualifying modification may have on issuer use of exemptions from registration under the Securities Act of 1933, including for dif-
ferent types of issuers (including financial and non-
financial issuers);

(10) any impact the qualifying modification will
have on the likelihood of success of the issuer as a
company

(11) whether the qualifying modification would
have any impacts on fraud and noncompliance in of-
ferings of securities exempted from registration
under the Securities Act of 1933;

(12) any potential impacts the qualifying modi-
fication will have on State and Federal regulatory
enforcement efforts;

(13) any potential impacts the qualifying modi-
fication will have on the public securities market;
and

(14) any information that will be needed to
evaluate the qualifying modification.

(c) CONSULTATION.—In conducting the study re-
quired by subsection (a), the Commission shall consult
with State securities regulators.

(d) IDENTIFICATION OF CHALLENGES.—Any report
submitted by the Commission pursuant to subsection (a)
shall identify any challenges that natural person investors
might face if they were to participate in—
(1) an offering of securities impacted by the qualifying modification; or

(2) an offerings of securities that are exempted from registration under the Securities Act of 1933.

(e) Description of Any Limitations.—If the Commission lacks the data or information necessary to address any of the material required to be addressed in the study an report, the Commission shall describe these limitations in the report and describe any reasons for such limitations.

(f) Definitions.—For the purposes of this section:


(2) Qualifying Modification.—The term “qualifying modification” means—

(A) any change to any rule relating to an exemption from registration under the Securities Act of 1933;

(B) any change to a rule relating to reporting requirements for issuers of registered securities under the Securities Exchange Act of 1934; and

(C) issuance of any rule that establishes a new exemption from registration under the Securities Act of 1933.