

## MEMORANDUM

**To:** Members of the Committee on Financial Services

**From:** Financial Services Committee Majority Staff

**Date:** June 10, 2016

**Subject:** June 15, 2016, Full Committee Markup

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The Committee on Financial Services will meet to mark up the following measures, in an order to be determined by the Chairman, at 10:00 a.m. on Wednesday, June 15, 2016, and subsequent days if necessary, in room 2128 of the Rayburn House Office Building:

***H.R. 4538, the SeniorSafe Act of 2016***

Introduced by Representative Sinema, the “SeniorSafe Act of 2016” provides that certain employees of a covered financial institution that receive training regarding the identification and reporting of the suspected exploitation of a senior citizen would not be liable for disclosing such exploitation to a covered agency, provided that the individual made the disclosure in good faith and with reasonable care. H.R. 4538 further provides covered financial institutions with a safe harbor from liability arising from disclosures by their employees, provided that the institution trained the disclosing employee concerning the identification and reporting of instances of suspected exploitation.

***H.R. 4850, the Micro Offering Safe Harbor Act***

Introduced by Representative Emmer, the “Micro Offering Safe Harbor Act” exempts certain securities from Securities and Exchange Commission (SEC) and state registration requirements. As proposed to be modified by an amendment in the nature of a substitute expected to be offered by Rep. Emmer, the bill exempts from registration an issuer of micro-offerings that meet all of the following criteria: (1) each purchaser has a substantive pre-existing relationship with either an officer or director of the issuer, or with a shareholder holding 10% or more of the issuer's shares; (2) during the 12-month period preceding the transaction there are no more than 35 purchasers of such micro-offerings sold in reliance on this exemption; and (3) the aggregate amount of all securities sold by the issuer (including any amount sold in reliance upon the exemption) during the 12-month period preceding the transaction does not exceed \$500,000. The bill also exempts micro-offerings from state regulation of securities offerings.

***H.R. 4852, the Private Placement Improvement Act of 2016***

Introduced by Representative Garrett, the “Private Placement Improvement Act of 2016” prevents the SEC from adopting proposed additional obligations relating to

exemptions from registration requirements for certain sales of securities under Regulation D. In addition, the bill, among other things, directs the SEC to revise the filing requirements of Regulation D to require an issuer that offers or sells securities in reliance upon an exemption from registration under Rule 506 to file, no earlier than the date of first sale of such securities, a single notice of sale containing the information required by Form D (used to file a notice of an exempt offering of securities under Regulation D) for each new offering of securities.

***H.R. 4854, the Supporting America’s Innovators Act of 2016***

Introduced by Representative McHenry, the “Supporting America’s Innovators Act of 2016” amends an exemption from registration under the Investment Company Act of 1940 by increasing the investor limitation from 100 to 500 persons for a qualifying venture capital fund. A qualifying venture capital fund may not purchase more than \$10 million in securities in any one issuer, adjusted for inflation.

***H.R. 4855, the Fix Crowdfunding Act***

Introduced by Representative McHenry, the “Fix Crowdfunding Act” updates rules for “crowdfunding” under Title III of the Jumpstart Our Business Startups (JOBS) Act. Among other things, H.R. 4855 raises the dollar amount limit on funds that can be raised via crowdfunding and clarifies certain requirements and exclusions for funding portals.

***H.R. 5143, the Transparent Insurance Standards Act of 2016***

Introduced by Representative Luetkemeyer, the “Transparent Insurance Standards Act of 2016” enhances Congress’s oversight of international deliberations relating to insurance standards. Specifically, the legislation establishes a series of requirements to be met before the Federal Insurance Office (FIO) or the Federal Reserve (Fed) may agree to, accept, establish, enter into or consent to the adoption of a final international insurance standard. First, the FIO and the Fed must publish any proposed final standard and allow for public comment. In so doing, the agencies must provide a joint analysis on the impact of the standard on consumers and U.S. insurance markets. Before agreeing to any international standard relating to capital, the Fed is required to first promulgate its domestic capital standard rule. The bill imposes similar requirements for negotiations concerning covered agreements. The legislation sets negotiating objectives for U.S. parties and also mandates that the FIO and the Fed report and testify to Congress twice annually. Finally, H.R. 5143 helps to ensure that the FSOC’s Independent Member with Insurance Expertise is permitted to assist the FSOC in international discussions and attend meetings of international bodies where insurance standards are discussed.

***H.R. 5311, the Corporate Governance Reform and Transparency Act of 2016***

Introduced by Representatives Duffy and Carney, the “Corporate Governance Reform and Transparency Act of 2016” provides for, among other things, the registration of proxy advisory firms and the management of conflicts of interest. H.R. 5311 ensures that proxy advisory firms are registered with the SEC, disclose potential conflicts of interest and codes of ethics, and make publicly available their methodologies for formulating proxy recommendations and analyses.

***H.R. 5322, the U.S. Territories Investor Protection Act of 2016***

Introduced by Representative Velasquez, the “U.S. Territories Investor Protection Act of 2016” amends Section 6(a)(1) of the Investment Company Act of 1940 to terminate an exemption for investment companies located in Puerto Rico, the Virgin Islands, and any other possession of the United States. Under current law, such entities are exempt so long as they sell their shares only to the residents of the territory or possession in which they operate. The bill provides a three-year safe harbor for investment companies that currently enjoy this exemption. Additionally, the bill authorizes the SEC to further delay the effective date (or end of the exemption) for a maximum of three years following the initial three year safe harbor.

***H.R. 5421, the National Securities Exchange Regulatory Parity Act of 2016***

Introduced by Representative Royce, the “National Securities Exchange Regulatory Parity Act of 2016” amends the Securities Act of 1933. Specifically, the bill amends Section 18 of the Act, which provides “blue sky” exemption for securities listed and traded on specified national securities exchanges – the New York Stock Exchange, the American Stock Exchange, and NASDAQ – as well as for any national securities exchange that the SEC determines by rule has “substantially similar” listing standards to those of the specified exchanges. The bill eliminates the specific references to the three venues, and instead provides “blue sky” exemption for any security listed on a “national securities exchange” registered with the SEC, whose listing standards are approved by the SEC.

***H.R. 5424, the Investment Advisers Modernization Act of 2016***

Introduced by Representative Hurt, the “Investment Advisers Modernization Act of 2016” modernizes requirements relating to investment advisers. The bill also tailors regulation for private equity firms that the Dodd-Frank Act required to be registered with the SEC.

***H.R. 5429, the SEC Regulatory Accountability Act***

Introduced by Representative Garrett, the “SEC Regulatory Accountability Act” requires the SEC to assess, in detail when promulgating a new rule, the costs and benefits of a regulatory action; regulatory alternatives; and impacts on small business and market liquidity. In addition, the bill requires the SEC to periodically review its regulations and to develop a post-adoption impact assessment plan for major rules.

***H.R. \_\_\_\_, the Iranian Leadership Asset Transparency Act***

To be introduced by Representative Poliquin, H.R. \_\_\_\_, the “Iranian Leadership Asset Transparency Act,” requires the Treasury Secretary to develop and post online a list estimating the “funds and assets” held by senior Iranian political and military leaders, along with a description of how they acquired the assets and how those assets are employed. The report would be posted on the Treasury Department’s website in English but also translated into the three main languages used inside Iran, and would be available in any of those forms in a way that is easy to download and share.