



UNITED STATES HOUSE COMMITTEE ON
FINANCIAL SERVICES
CHAIRMAN FRENCH HILL

Section-by-Section: Incentivizing New Ventures and Economic Strength Through Capital Formation (INVEST) Act

H.R. 3383, the Incentivizing New Ventures and Economic Strength Through Capital Formation (INVEST) Act, sponsored by Congresswoman Ann Wagner (R-MO) and cosponsored by Congressman Gregory Meeks (D-NY), would make reforms to modernize and strengthen U.S. capital markets.

TITLE I – EXPANDING ACCESS TO CAPITAL FOR SMALL BUSINESSES

Sec. 101. Expanding Access to Capital for Rural Job Creators. Section 101 amends the *Securities Exchange Act of 1934* to add rural-area small businesses to functions supported by the Securities and Exchange Commission (SEC) Office of the Advocate for Small Business Capital Formation.

Sec. 102. Helping Angels Lead Our Startups.

Section 102 directs SEC to revise Regulation D to permit presentations at specified sponsored events (e.g., universities, nonprofits, angel groups, accelerators) without being deemed “general solicitation,” provided certain conditions are met.

Sec. 103. Amendment for Crowdfunding Capital Enhancement and Small-business Support.

Section 103 increases the crowdfunding exemptive offering threshold requiring accountant review from \$100,000 to \$250,000, with discretion up to \$400,000.

Sec. 104. Small Business Investor Capital Access.

Section 104 raises the exemption threshold under the *Investment Advisers Act* from \$150M to \$175M and requires inflation adjustment every 5 years.

Sec. 105. Advocating for Small Business. Section 105 establishes Offices of Small Business in the Divisions of Corporation Finance, Investment Management, and Trading & Markets to coordinate with Office of the Advocate for Small Business Capital Formation on rules and policy priorities related to capital formation.

Sec. 106. Small Entity Update.

Section 106 mandates SEC conduct a study and related rulemaking to adjust the definition of “small entity” and directs future rulemakings to consider small business impacts.

Sec. 107. Improving Access to Small Business Information.

Section 107 exempts the SEC Office of the Advocate for Small Business Capital Formation from certain *Paperwork Reduction Act* requirements.

Sec. 108. Improving Capital Allocation for Newcomers.

Section 108 increases the beneficial owner limit for qualifying venture capital funds to 500 persons from 250 persons and the capital limit for qualifying venture capital funds to \$50M from \$10M.

Sec. 109. Developing and Empowering our Aspiring Leaders.

Section 109 clarifies what constitutes a qualifying investment for a venture capital fund under securities laws.

TITLE II – INCREASING OPPORTUNITIES FOR INVESTORS

Sec. 201. Fair Investment Opportunities for Professional Experts.

Section 201 expands the accredited investor definition to include additional criteria: inflation-adjusted net worth and income tests, certain licensed professionals, and individuals with qualifying education or experience.

Sec. 202. Retirement Fairness for Charities and Educational Institutions. Section 202 amends securities laws to expand investment options for 403(b) retirement plans, aligning them more closely with 401(k) treatment.

Sec. 203. Equal Opportunity for All Investors. Section 203 requires SEC to establish an exam program within 1 year to certify those who pass the exam as accredited investors.

Sec. 204. Senior Security.

Section 204 creates a Senior Investor Taskforce at the SEC to study and report on issues affecting investors over 65 and requires a U.S. Government Accountability Office (GAO) study on senior financial exploitation.

Sec. 205. Improving Disclosure for Investors. Section 205 requires SEC rulemaking to allow electronic delivery of investor documents, with safeguards, opt-out rights, and transition rules.

Sec. 206. Increasing Investor Opportunities.

Section 206 expands closed-end investment companies' ability to invest in private funds.

TITLE III – STRENGTHENING PUBLIC MARKETS

Sec. 301. Encouraging Local Emerging Ventures and Economic Growth. Section 301 reduces the Emerging Growth Company (EGC) registration requirements from three years to two years of audited financial statements and allows any issuer to submit a draft registration statement to the SEC for confidential review.

Sec. 302. Access to Small Business Investor Capital.

Section 302 revises how investment companies disclose acquired fund fees and expenses.

Sec. 303. Encouraging Public Offerings.

Section 303 directs SEC to ease testing-the-waters requirements to promote IPOs and allows issuers to submit a confidential draft registration statement to the SEC prior to public filing.

Sec. 304. Greenlighting Growth.

Section 304 reduces financial reporting burdens for EGCs.

Sec. 305. Middle Market IPO Cost. Section 305 directs GAO in consultation with the SEC and the Financial Industry Regulatory Authority (FINRA) to conduct a study of the costs associated with small- and medium-sized company IPOs.

Sec. 306. Expanding Well-Known Seasoned Issuer (WKSI) Eligibility

Section 306 expands WKSI eligibility by decreasing the market value threshold from \$700M to \$400M.

Sec. 307. Enhancing Multi-Class Share Disclosures.

Section 307 requires disclosure on multi-class share arrangements in public companies' proxy solicitation or consent solicitation materials.