

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the definition of an accredited investor to include individuals receiving advice from certain professionals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the definition of an accredited investor to include individuals receiving advice from certain professionals, 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 “**[To be added Act of**
5 **2023]**”.

1 **SEC. 2. ACCREDITED INVESTORS INCLUDE INDIVIDUALS**
2 **RECEIVING ADVICE FROM CERTAIN PROFES-**
3 **SIONALS.**

4 (a) SECURITIES ACT OF 1933.—Section 2(a)(15) of
5 the Securities Act of 1933 (15 U.S.C. 77b(a)(15)) is
6 amended—

7 (1) by striking “(15) The term ‘accredited in-
8 vestor’ shall mean—” and inserting the following:

9 “(15) ACCREDITED INVESTOR.—

10 “(A) IN GENERAL.—The term ‘accredited
11 investor’ means—”;

12 (2) in clause (i), by striking “or” at the end;

13 (3) in clause (ii), by striking the period at the
14 end and inserting “; or”;

15 (4) by adjusting the indentation of clauses (i)
16 and (ii) by moving such clauses 2 ems to the right;
17 and

18 (5) by adding at the end the following:

19 “(iii) any individual receiving individ-
20 ualized investment advice or individualized
21 investment recommendations with respect
22 to the applicable transaction from an indi-
23 vidual described under section
24 203.501(a)(10) of title 17, Code of Federal
25 Regulations.

1 “(B) DEFINITIONS.—In subparagraph
2 (A)(iii):

3 “(i) INVESTMENT ADVICE.—The term
4 ‘investment advice’ shall be interpreted
5 consistently with the interpretation of the
6 phrase ‘engages in the business of advising
7 others, either directly or through publica-
8 tions or writings, as to the value of securi-
9 ties or as to the advisability of investing in,
10 purchasing, or selling securities’ under sec-
11 tion 202(a)(11) of the Investment Advisers
12 Act of 1940 (15 U.S.C. 80b–2(a)(11)).

13 “(ii) INVESTMENT RECOMMENDA-
14 TION.—The term ‘investment recommenda-
15 tion’ shall be interpreted consistently with
16 the interpretation of the term ‘rec-
17 ommendation’ under section 240.15l-1 of
18 title 17, Code of Federal Regulations.”.

19 (b) CONFORMING CHANGES TO REGULATIONS.—The
20 Securities and Exchange Commission shall revise section
21 203.501(a) of title 17, Code of Federal Regulations, and
22 any other definition of “accredited investor” in a rule of
23 the Commission in the same manner as such definition
24 is revised under subsection (a).