

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To prohibit registered investment advisers, brokers, and registered representatives of brokers from facilitating the transaction of or recommending the securities of certain special purpose acquisition companies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To prohibit registered investment advisers, brokers, and registered representatives of brokers from facilitating the transaction of or recommending the securities of certain special purpose acquisition companies, 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 [“____ Act of 2021”.]

1 **SEC. 2. PROHIBITION RELATING TO CERTAIN SPECIAL PUR-**
2 **POSE ACQUISITION COMPANIES.**

3 (a) INVESTMENT ADVISERS.—Section 206 of the In-
4 vestment Advisers Act of 1940 (15 U.S.C. 80b–6) is
5 amended—

6 (1) in paragraph (3), by striking “or” at the
7 end;

8 (2) in paragraph (4), by striking the period at
9 the end and inserting “; or”; and

10 (3) by adding at the end the following:

11 “(5) to facilitate the transaction of, or rec-
12 ommend, securities of a special purpose acquisition
13 company, as defined by the Commission, to a person
14 who is not an accredited investor (as defined in sec-
15 tion 2(a) of the Securities Act of 1933 (15 U.S.C.
16 77b)), unless the promote or similar economic com-
17 pensation of the special purpose acquisition company
18 is 5 percent or less.”.

19 (b) BROKERS AND REGISTERED REPRESENTATIVES
20 OF BROKERS.—Section 15 of the Securities Exchange Act
21 of 1934 (15 U.S.C. 78o) is amended by adding at the end
22 the following:

23 “(p) PROHIBITION RELATING TO CERTAIN SPECIAL
24 PURPOSE ACQUISITION COMPANIES.—

25 “(1) IN GENERAL.—A broker and any reg-
26 istered representative of a broker shall be prohibited

1 from facilitating the transaction of, or recom-
2 mending, securities of a special purpose acquisition
3 company, as defined by the Commission, to a person
4 who is not an accredited investor (as defined in sec-
5 tion 2(a) of the Securities Act of 1933 (15 U.S.C.
6 77b)), unless the promote or similar economic com-
7 pensation of the special purpose acquisition company
8 is 5 percent or less.

9 “(2) REGISTERED REPRESENTATIVE OF A
10 BROKER DEFINED.—In this subsection, with respect
11 to a broker, the term ‘registered representative of a
12 broker’ means an individual who represents the
13 broker in effecting or attempting to effect a pur-
14 chase or sale of securities.”.