[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION
H. R. ______

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

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IN THE HOUSE OF REPRESENTATIVES

Mr. ______ introduced the following bill; which was referred to the
Committee on

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A BILL

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

1 Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the [“___ Act of 2021”].
SEC. 2. PROHIBITION RELATING TO CERTAIN SPECIAL PURPOSE ACQUISITION COMPANIES.

(a) INVESTMENT ADVISERS.—Section 206 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–6) is amended—

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

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

(3) by adding at the end the following:

“(5) to facilitate the transaction of, or recommend, securities of a special purpose acquisition company, as defined by the Commission, to a person who is not an accredited investor (as defined in section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b)), unless the promote or similar economic compensation of the special purpose acquisition company is 5 percent or less.”.

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

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

“(1) IN GENERAL.—A broker and any registered representative of a broker shall be prohibited
from facilitating the transaction of, or recom-
mending, securities of a special purpose acquisition
company, as defined by the Commission, to a person
who is not an accredited investor (as defined in sec-
tion 2(a) of the Securities Act of 1933 (15 U.S.C.
77b)), unless the promote or similar economic com-
pensation of the special purpose acquisition company
is 5 percent or less.

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