

118TH CONGRESS
1ST SESSION

H. R. 2797

To amend the Securities Act of 1933 to require certification examinations for accredited investors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2023

Mr. FLOOD (for himself and Mr. NICKEL) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Act of 1933 to require certification examinations for accredited investors, 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 “Equal Opportunity for
5 All Investors Act of 2023”.

6 **SEC. 2. CERTIFICATION EXAMINATIONS FOR ACCREDITED**
7 **INVESTORS.**

8 Section 2(a)(15) of the Securities Act of 1933 (15
9 U.S.C. 77b(a)(15)) is amended—

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

3 “(15) ACCREDITED INVESTOR.—

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

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

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

9 (4) by adding at the end the following:

10 “(iii) any individual who is certified as
11 an accredited investor through an examina-
12 tion that—

13 “(I) not later than 180 days
14 after the date of the enactment of this
15 clause, the criteria of which shall be
16 established by the Commission;

17 “(II) is designed with an appro-
18 priate level of difficulty such that an
19 individual with financial sophistication
20 would be unlikely to fail;

21 “(III) may include methods to
22 determine whether an individual seek-
23 ing to be certified as an accredited in-
24 vestor demonstrates competency with
25 respect to—

1 “(aa) the different types of
2 securities;

3 “(bb) the disclosure require-
4 ments under the securities laws
5 applicable to issuers and private
6 companies as compared to public
7 companies;

8 “(cc) corporate governance;

9 “(dd) financial statements
10 and the components of such
11 statements;

12 “(ee) aspects of unregistered
13 securities, securities issued by
14 private companies, and invest-
15 ments into private funds, includ-
16 ing risks associated with—

17 “(AA) limited liquidity;

18 “(BB) limited diselo-
19 sures;

20 “(CC) variance in valu-
21 ation methods;

22 “(DD) information
23 asymmetry;

24 “(EE) leverage risks;

1 “(FF) concentration
2 risk; and

3 “(GG) longer invest-
4 ment horizons;

5 “(ff) potential conflicts of
6 interest, when the interests of the
7 financial professionals and their
8 clients are misaligned or when
9 their professional responsibilities
10 are compromised by financial mo-
11 tivations; and

12 “(gg) other criteria the
13 Commission determines necessary
14 or appropriate in the public in-
15 terest or for the protection of in-
16 vestors; and

17 “(IV) beginning not later than
18 180 days after the date the examina-
19 tion is established under subclause
20 (I), shall be administered, and offered
21 free of charge to the public, by a reg-
22 istered national securities association
23 under section 15A of the Securities
24 Exchange Act of 1934 (15 U.S.C.
25 78o–3).

1 “(B) EXAMINATION DEFINED.—In sub-
2 paragraph (A)(iii), the term ‘examination’ in-
3 cludes any test, certification, or examination
4 program, the criteria of which shall be estab-
5 lished by the Commission, that tests the under-
6 standing of any individual of aspects related to
7 investing in unregistered securities, private
8 companies, or private funds.”.

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