

117TH CONGRESS
2D SESSION

S. 3939

To amend the Securities Act of 1933 to provide small issuers with a micro-offering exemption free of mandated disclosures or offering filings, but subject to the antifraud provisions of the Federal securities laws, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 28, 2022

Mr. SCOTT of South Carolina (for himself and Mr. MORAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Securities Act of 1933 to provide small issuers with a micro-offering exemption free of mandated disclosures or offering filings, but subject to the antifraud provisions of the Federal securities laws, 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 “Small Entrepreneurs’
5 Empowerment and Development Act of 2022” or the
6 “SEED Act of 2022”.

1 **SEC. 2. MICRO-OFFERING EXEMPTION.**

2 (a) IN GENERAL.—Section 4 of the Securities Act of
3 1933 (15 U.S.C. 77d) is amended—

4 (1) in subsection (a), by adding at the end the
5 following:

6 “(8) transactions meeting the requirements of
7 subsection (f).”; and

8 (2) by adding at the end the following:

9 “(f) MICRO-OFFERINGS.—

10 “(1) IN GENERAL.—The transactions referred
11 to in subsection (a)(8) are transactions involving the
12 sale of securities by an issuer (including all entities
13 controlled by or under common control with the
14 issuer) where the aggregate amount of all securities
15 sold by the issuer, including any amount sold in reli-
16 ance on the exemption provided under subsection
17 (a)(8), during the 12-month period preceding such
18 transaction, does not exceed \$500,000.

19 “(2) ADJUSTMENT.—The dollar amount in
20 paragraph (1) shall be adjusted by the Commission
21 not less frequently than once every 5 years and at
22 the same time as the adjustments made under sec-
23 tion 4A(h), by notice published in the Federal Reg-
24 ister to reflect any change in the Consumer Price
25 Index for All Urban Consumers published by the

1 Bureau of Labor Statistics, setting the threshold to
2 the nearest 10,000.

3 “(3) BAD ACTOR PROHIBITION.—The exemp-
4 tion under this subsection shall not apply to any per-
5 son subject to—

6 “(A) an event that would disqualify an
7 issuer or other covered person under section
8 230.506(d)(1) of title 17, Code of Federal Reg-
9 ulations; or

10 “(B) a statutory disqualification, as de-
11 fined in section 3(a) of the Securities Exchange
12 Act of 1934 (15 U.S.C. 78c(a)).”.

13 (b) EXEMPTION UNDER STATE REGULATIONS.—Sec-
14 tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.
15 77r(b)(4)) is amended—

16 (1) in subparagraph (F), by striking “or” at
17 the end;

18 (2) in subparagraph (G), by striking the period
19 and inserting “; or”; and

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

21 “(H) section 4(a)(8).”.

○