

118TH CONGRESS
1ST SESSION

H. R. 835

IN THE SENATE OF THE UNITED STATES

JUNE 6, 2023

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the Securities Act of 1933 to codify certain qualifications of individuals as accredited investors for purposes of the securities laws.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fair Investment Op-
3 portunities for Professional Experts Act”.

4 **SEC. 2. DEFINITION OF ACCREDITED INVESTOR.**

5 (a) IN GENERAL.—Section 2(a)(15) of the Securities
6 Act of 1933 (15 U.S.C. 77b(a)(15)) is amended—

7 (1) by redesignating subparagraphs (i) and (ii)
8 as subparagraphs (A) and (F), respectively; and

9 (2) in subparagraph (A) (as so redesignated),
10 by striking “; or” and inserting a semicolon, and in-
11 serting after such subparagraph the following:

12 “(B) any natural person whose individual
13 net worth, or joint net worth with that person’s
14 spouse or spousal equivalent, exceeds
15 \$1,000,000 (which amount, along with the
16 amounts set forth in subparagraph (C), shall be
17 adjusted for inflation by the Commission every
18 5 years to the nearest \$10,000 to reflect the
19 change in the Consumer Price Index for All
20 Urban Consumers published by the Bureau of
21 Labor Statistics) where, for purposes of calcu-
22 lating net worth under this subparagraph—

23 “(i) the person’s primary residence
24 shall not be included as an asset;

25 “(ii) indebtedness that is secured by
26 the person’s primary residence, up to the

1 estimated fair market value of the primary
2 residence at the time of the sale of securi-
3 ties, shall not be included as a liability (ex-
4 cept that if the amount of such indebted-
5 ness outstanding at the time of sale of se-
6 curities exceeds the amount outstanding 60
7 days before such time, other than as a re-
8 sult of the acquisition of the primary resi-
9 dence, the amount of such excess shall be
10 included as a liability); and

11 “(iii) indebtedness that is secured by
12 the person’s primary residence in excess of
13 the estimated fair market value of the pri-
14 mary residence at the time of the sale of
15 securities shall be included as a liability;

16 “(C) any natural person who had an indi-
17 vidual income in excess of \$200,000 in each of
18 the 2 most recent years or joint income with
19 that person’s spouse or spousal equivalent in
20 excess of \$300,000 in each of those years and
21 has a reasonable expectation of reaching the
22 same income level in the current year;

23 “(D) any natural person who is currently
24 licensed or registered as a broker or investment
25 adviser by the Commission, the Financial In-

1 industry Regulatory Authority, or an equivalent
2 self-regulatory organization (as defined in sec-
3 tion 3(a)(26) of the Securities Exchange Act of
4 1934), or the securities division of a State, the
5 District of Columbia, or a territory of the
6 United States or the equivalent division respon-
7 sible for licensing or registration of individuals
8 in connection with securities activities;

9 “(E) any natural person the Commission
10 determines, by regulation, to have demonstrable
11 education or job experience to qualify such per-
12 son as having professional knowledge of a sub-
13 ject related to a particular investment, and
14 whose education or job experience is verified by
15 the Financial Industry Regulatory Authority or
16 an equivalent self-regulatory organization (as
17 defined in section 3(a)(26) of the Securities Ex-
18 change Act of 1934); or”.

19 (b) RULEMAKING.—The Commission shall revise the
20 definition of accredited investor under Regulation D (17

- 1 CFR 230.501 et seq.) to conform with the amendments
- 2 made by subsection (a).

Passed the House of Representatives June 5, 2023.

Attest: CHERYL L. JOHNSON,
Clerk.