

118TH CONGRESS
1ST SESSION

H. R. 2773

To amend the definition of an accredited investor to include individuals receiving advice from certain professionals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 2023

Mr. MCHENRY introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the definition of an accredited investor to include individuals receiving advice from certain professionals, 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. ACCREDITED INVESTORS INCLUDE INDIVID-**
4 **UALS RECEIVING ADVICE FROM CERTAIN**
5 **PROFESSIONALS.**

6 (a) SECURITIES ACT OF 1933.—Section 2(a)(15) of
7 the Securities Act of 1933 (15 U.S.C. 77b(a)(15)) is
8 amended—

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

1 “(15) ACCREDITED INVESTOR.—

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

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

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

7 (4) by adjusting the indentation of clauses (i)
8 and (ii) by moving such clauses 2 ems to the right;
9 and

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

11 “(iii) any individual receiving individ-
12 ualized investment advice or individualized
13 investment recommendations with respect
14 to the applicable transaction from an indi-
15 vidual described under section
16 203.501(a)(10) of title 17, Code of Federal
17 Regulations.

18 “(B) DEFINITIONS.—In subparagraph
19 (A)(iii):

20 “(i) INVESTMENT ADVICE.—The term
21 ‘investment advice’ shall be interpreted
22 consistently with the interpretation of the
23 phrase ‘engages in the business of advising
24 others, either directly or through publica-
25 tions or writings, as to the value of securi-

1 ties or as to the advisability of investing in,
2 purchasing, or selling securities' under sec-
3 tion 202(a)(11) of the Investment Advisers
4 Act of 1940 (15 U.S.C. 80b-2(a)(11)).

5 “(ii) INVESTMENT RECOMMENDA-
6 TION.—The term ‘investment recommenda-
7 tion’ shall be interpreted consistently with
8 the interpretation of the term ‘rec-
9 ommendation’ under section 240.15l-1 of
10 title 17, Code of Federal Regulations.”.

11 (b) CONFORMING CHANGES TO REGULATIONS.—The
12 Securities and Exchange Commission shall revise section
13 203.501(a) of title 17, Code of Federal Regulations, and
14 any other definition of “accredited investor” in a rule of
15 the Commission in the same manner as such definition
16 is revised under subsection (a).

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