

118TH CONGRESS
1ST SESSION

S. 2005

To amend the Securities Act of 1933 to require that information required to be disclosed to the Securities and Exchange Commission by issuers be material to voting or investment decisions regarding those issuers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 15, 2023

Mr. ROUNDS (for himself, Mr. TILLIS, Ms. LUMMIS, Mr. HAGERTY, Mr. DAINES, Mr. CRAMER, Mrs. BRITT, Mr. SULLIVAN, Mr. GRASSLEY, and Mr. BOOZMAN) 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 require that information required to be disclosed to the Securities and Exchange Commission by issuers be material to voting or investment decisions regarding those issuers, 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 “Mandatory Materiality
5 Requirement Act of 2023”.

1 **SEC. 2. LIMITATION ON DISCLOSURE REQUIREMENTS.**

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

4 (1) in the subsection heading, by inserting “;
5 LIMITATION ON DISCLOSURE REQUIREMENTS” after
6 “FORMATION”;

7 (2) by striking “Whenever” and inserting the
8 following:

9 “(1) IN GENERAL.—Whenever”; and

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

11 “(2) LIMITATION.—

12 “(A) IN GENERAL.—Whenever pursuant to
13 this title the Commission is engaged in rule-
14 making regarding disclosure obligations of
15 issuers, the Commission shall expressly provide
16 that an issuer is only required to disclose infor-
17 mation in response to such an obligation adopt-
18 ed by the Commission if the issuer has deter-
19 mined that such information is important with
20 respect to a voting or investment decision re-
21 garding the issuer.

22 “(B) APPLICABILITY.—Subparagraph (A)
23 shall not apply with respect to the removal of
24 any disclosure requirement with respect to an
25 issuer or the modification of any disclosure re-
26 quirement with respect to an issuer, if the Com-

1 mission expressly determines that the removal
2 or modification does not require disclosures that
3 are, in the aggregate, more burdensome to the
4 issuer than the existing disclosure requirement.

5 “(C) RULE OF CONSTRUCTION.—For the
6 purposes of this paragraph, information is con-
7 sidered to be important with respect to a voting
8 or investment decision regarding an issuer if
9 there is a substantial likelihood that a reason-
10 able investor would view the failure to disclose
11 that information as having significantly altered
12 the total mix of information made available to
13 the investor.”.

14 (b) SECURITIES EXCHANGE ACT OF 1934.—Section
15 3(f) of the Securities Exchange Act of 1934 (15 U.S.C.
16 78c(f)) is amended—

17 (1) in the subsection heading, by inserting “;
18 LIMITATION ON DISCLOSURE REQUIREMENTS” after
19 “FORMATION”;

20 (2) by striking “Whenever” and inserting the
21 following:

22 “(1) IN GENERAL.—Whenever”; and

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

24 “(2) LIMITATION.—

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2 this title the Commission is engaged in rule-
3 making regarding disclosure obligations of
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2 the total mix of information made available to
3 the investor.”.

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