

117TH CONGRESS  
2D SESSION

# S. 3945

To amend the Securities Exchange Act of 1934 to address the solicitation of proxy with respect to securities, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 29, 2022

Mr. HAGERTY (for himself, Mr. DAINES, Mr. TILLIS, and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Securities Exchange Act of 1934 to address the solicitation of proxy with respect to securities, 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 “Restoring Shareholder  
5 Transparency Act of 2022”.

6 **SEC. 2. PROXIES.**

7 Section 14(a) of the Securities Exchange Act of 1934  
8 (15 U.S.C. 78n(a)) is amended by adding at the end the  
9 following:

1       “(3) For the purposes of this subsection, soliciting  
2 any proxy or consent or authorization in respect of a secu-  
3 rity—

4           “(A) includes the furnishing of a form of proxy  
5 or other communication to a holder of the security  
6 under circumstances reasonably calculated to result  
7 in the procurement, withholding, or revocation of a  
8 proxy, including any proxy voting advice that—

9           “(i) makes a recommendation to the secu-  
10 rity holder as to the vote, consent, or authoriza-  
11 tion of the security holder on a specific matter  
12 for which the approval of the security holder is  
13 solicited; and

14           “(ii) is furnished by a person that—

15           “(I) markets the expertise of the per-  
16 son as a provider of such proxy voting ad-  
17 vice, separately from other forms of invest-  
18 ment advice; and

19           “(II) sells such proxy voting advice  
20 for a fee; and

21           “(B) does not include the furnishing of any  
22 proxy voting advice by a person that furnishes such  
23 advice only in response to an unprompted request.”.

1 **SEC. 3. SHAREHOLDER PROPOSALS.**

2 (a) IN GENERAL.—The Securities Exchange Act of  
3 1934 (15 U.S.C. 78a et seq.) is amended—

4 (1) in section 6(b) (15 U.S.C. 78f(b)), by add-  
5 ing at the end the following:

6 “(11) The rules of the exchange do not require  
7 an issuer to be in compliance with section 240.14a-  
8 8 of title 17, Code of Federal Regulations, or any  
9 successor regulation, as a condition of having a secu-  
10 rity of the issuer listed on the exchange.”; and

11 (2) in section 14 (15 U.S.C. 78n), by adding at  
12 the end the following:

13 “(k) SHAREHOLDER PROPOSALS.—Notwithstanding  
14 any other provision of law or regulation, beginning on the  
15 date of enactment of this subsection, no issuer shall be  
16 subject to the requirements of section 240.14a-8 of title  
17 17, Code of Federal Regulations, or any successor regula-  
18 tion, unless the issuer agrees to be subject to those re-  
19 quirements.”.

20 (b) BASES FOR EXCLUSION.—Not later than 1 year  
21 after the date of enactment of this Act, the Securities and  
22 Exchange Commission shall amend section 240.14a-8(i)  
23 of title 17, Code of Federal Regulations, or any successor  
24 regulation, to provide that all of the bases for exclusion  
25 of a proposal under that provision shall apply without re-

1 gard to whether the proposal relates to a significant social  
2 policy issue.

3 (c) MARKET VALUE.—Not later than 30 days after  
4 the date of enactment of this Act, the Securities and Ex-  
5 change Commission shall amend section 240.14a-8(b)(1)  
6 of title 17, Code of Federal Regulations, or any successor  
7 regulation—

8 (1) by amending clause (i) to read as follows:

9 “(i) You must hold at least 1 percent of the market  
10 value of the company’s securities.”; and

11 (2) by striking clause (vi).

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