

119TH CONGRESS
1ST SESSION

H. R. 3383

AN ACT

To amend the Investment Company Act of 1940 with respect
to the authority of closed-end companies to invest in
private funds.

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; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Incentivizing New Ventures and Economic Strength
 4 Through Capital Formation Act of 2025” or the “IN-
 5 VEST Act of 2025”.

6 (b) TABLE OF CONTENTS.—The table of contents for
 7 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—EXPANDING ACCESS TO CAPITAL FOR SMALL
BUSINESSES**

Sec. 101. Expanding access to capital for rural job creators.

Sec. 102. Helping angels lead our startups.

Sec. 103. Amendment for crowdfunding capital enhancement and small-busi-
ness support.

Sec. 104. Small business investor capital access.

Sec. 105. Advocating for small business.

Sec. 106. Small entity update.

Sec. 107. Improving access to small business information.

Sec. 108. Improving capital allocation for newcomers.

Sec. 109. Developing and empowering our aspiring leaders.

TITLE II—INCREASING OPPORTUNITIES FOR INVESTORS

Sec. 201. Fair investment opportunities for professional experts.

Sec. 202. Retirement fairness for charities and educational institutions.

Sec. 203. Equal opportunity for all investors.

Sec. 204. Senior Security.

Sec. 205. Improving disclosure for investors.

Sec. 206. Increasing investor opportunities.

TITLE III—STRENGTHENING PUBLIC MARKETS

Sec. 301. Encouraging local emerging ventures and economic growth.

Sec. 302. Access to small business investor capital.

Sec. 303. Encouraging public offerings.

Sec. 304. Greenlighting growth.

Sec. 305. Middle market IPO cost.

Sec. 306. Expanding WKSJ eligibility.

Sec. 307. Enhancing multi-class share disclosures.

1 **TITLE I—EXPANDING ACCESS TO**
2 **CAPITAL FOR SMALL BUSI-**
3 **NESSES**

4 **SEC. 101. EXPANDING ACCESS TO CAPITAL FOR RURAL JOB**
5 **CREATORS.**

6 Section 4(i) of the Securities Exchange Act of 1934
7 (15 U.S.C. 78d(i)) is amended—

8 (1) in paragraph (4)(C), by inserting “, rural-
9 area small businesses” after “women-owned small
10 businesses”; and

11 (2) in paragraph (6)(B)(iii), by inserting “,
12 rural-area small businesses” after “women-owned
13 small businesses”.

14 **SEC. 102. HELPING ANGELS LEAD OUR STARTUPS.**

15 (a) DEFINITIONS.—For purposes of this section and
16 the revision of rules required under this section:

17 (1) ANGEL INVESTOR GROUP.—The term
18 “angel investor group” means any group that—

19 (A) is composed of accredited investors in-
20 terested in investing personal capital in early-
21 stage companies;

22 (B) holds regular meetings and has defined
23 processes and procedures for making invest-
24 ment decisions, either individually or among the
25 membership of the group as a whole; and

1 (C) is neither associated nor affiliated with
2 brokers, dealers, or investment advisers.

3 (2) ISSUER.—The term “issuer” means an
4 issuer that is a business, is not in bankruptcy or re-
5 ceivership, is not an investment company, and is not
6 a blank check, blind pool, or shell company.

7 (b) IN GENERAL.—Not later than 6 months after the
8 date of enactment of this Act, the Securities and Ex-
9 change Commission shall revise Regulation D (17 CFR
10 230.500 et seq.) to require that in carrying out the prohi-
11 bition against general solicitation or general advertising
12 contained in section 230.502(c) of title 17, Code of Fed-
13 eral Regulations, the prohibition shall not apply to a pres-
14 entation or other communication made by or on behalf of
15 an issuer which is made at an event—

16 (1) sponsored by—

17 (A) the United States or any territory
18 thereof, the District of Columbia, any State, a
19 federally recognized Indian Tribe, a political
20 subdivision of any State, territory, or federally
21 recognized Indian Tribe, or any agency or pub-
22 lic instrumentality of any of the foregoing;

23 (B) a college, university, or other institu-
24 tion of higher education;

25 (C) a nonprofit organization;

1 (D) an angel investor group;

2 (E) an incubator or accelerator;

3 (F) a venture forum, venture capital asso-
4 ciation, or trade association, other than an as-
5 sociation created solely for the purpose of spon-
6 soring an event described under this subsection;
7 or

8 (G) any other group, person, or entity as
9 the Securities and Exchange Commission may
10 determine by rule;

11 (2) that is not held in any facility that is owned
12 or operated by a religious organization, other than
13 an institution of higher education that is accredited
14 and operated primarily for post-secondary education;

15 (3) where any advertising for the event does not
16 reference any specific offering of securities by the
17 issuer;

18 (4) the sponsor of which—

19 (A) does not make investment rec-
20 ommendations or provide investment advice to
21 event attendees;

22 (B) does not engage in an active role in
23 any investment negotiations between the issuer
24 and investors attending the event;

1 (C) does not charge event attendees any
2 fees other than reasonable administrative fees;

3 (D) does not receive any compensation for
4 making introductions between investors attend-
5 ing the event and issuers, or for investment ne-
6 gotiations between such parties;

7 (E) makes readily available to attendees a
8 disclosure not longer than one page in length,
9 as prescribed by the Securities and Exchange
10 Commission, describing the nature of the event
11 and the risks of investing in the issuers pre-
12 senting at the event; and

13 (F) does not receive any compensation
14 with respect to such event that would require
15 registration of the sponsor as a broker or a
16 dealer under the Securities Exchange Act of
17 1934, or as an investment advisor under the In-
18 vestment Advisers Act of 1940; and

19 (5) where no specific information regarding an
20 offering of securities by the issuer is communicated
21 or distributed by or on behalf of the issuer, other
22 than—

23 (A) that the issuer is in the process of of-
24 fering securities or planning to offer securities;

1 (B) the type and amount of securities
2 being offered;

3 (C) the amount of securities being offered
4 that have already been subscribed for; and

5 (D) the intended use of proceeds of the of-
6 fering.

7 (c) RULE OF CONSTRUCTION.—Subsection (b) may
8 only be construed as requiring the Securities and Ex-
9 change Commission to amend the requirements of Regula-
10 tion D with respect to presentations and communications,
11 and not with respect to purchases or sales.

12 (d) NO PRE-EXISTING SUBSTANTIVE RELATIONSHIP
13 BY REASON OF EVENT.—Attendance at an event de-
14 scribed under subsection (b) shall not qualify, by itself,
15 as establishing a pre-existing substantive relationship be-
16 tween an issuer and a purchaser, for purposes of Rule
17 506(b).

18 **SEC. 103. AMENDMENT FOR CROWDFUNDING CAPITAL EN-**
19 **HANCEMENT AND SMALL-BUSINESS SUP-**
20 **PORT.**

21 (a) IN GENERAL.—Section 4A of the Securities Act
22 of 1933 (15 U.S.C. 77d–1) is amended—

23 (1) in subsection (b)(1)(D), by striking
24 “\$100,000” each place such term appears and in-
25 serting “\$250,000”; and

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

2 “(i) DISCRETION TO ADJUST AMOUNT.—The Com-
3 mission may increase the amount specified in subsections
4 (b)(1)(D)(i) and (b)(1)(D)(ii) from \$250,000 to an
5 amount not greater than \$400,000 upon the recommenda-
6 tion of the Office of the Advocate for Small Business Cap-
7 ital Formation and the Office of the Investor Advocate.”.

8 (b) TECHNICAL CORRECTIONS.—The Securities Act
9 of 1933 (15 U.S.C. 77a et seq.) is amended—

10 (1) in section 4A—

11 (A) by striking “section 4(6)” each place
12 such term appears and inserting “section
13 4(a)(6)”; and

14 (B) by striking “section 4(6)(B)” each
15 place such term appears and inserting “section
16 4(a)(6)(B)”;

17 (2) in section 16(f)(3), by striking “section
18 4(2)” and inserting “section 4(a)(2)”; and

19 (3) in section 18—

20 (A) in subsection (b)(4)—

21 (i) in subparagraph (B), by striking
22 “section 4(4)” and inserting “section
23 4(a)(4)”;

1 (ii) in subparagraph (C), by striking
 2 “section 4(6)” and inserting “section
 3 4(a)(6)”; and

4 (iii) in subparagraph (F), by striking
 5 “section 4(2)” each place such term ap-
 6 pears and inserting “section 4(a)(2)”; and
 7 (B) in subsection (c)(1)(B), by striking
 8 “section 4(6)” and inserting “section 4(a)(6)”;
 9

9 SEC. 104. SMALL BUSINESS INVESTOR CAPITAL ACCESS.

10 Section 203(m) of the Investment Advisers Act of
 11 1940 (15 U.S.C. 80b–3(m)) is amended—

12 (1) in paragraph (1), by striking
 13 “\$150,000,000” and inserting “\$175,000,000”; and
 14 (2) by adding at the end the following:

15 “(5) INFLATION ADJUSTMENT.—The Commis-
 16 sion shall, every 5 years, adjust the dollar amount
 17 described under paragraph (1) to reflect the change
 18 in the Consumer Price Index for All Urban Con-
 19 sumers published by the Bureau of Labor Statistics
 20 of the Department of Labor, and round such dollar
 21 amount to the nearest multiple of \$1,000,000.”.

22 SEC. 105. ADVOCATING FOR SMALL BUSINESS.

23 Section 4 of the Securities Exchange Act of 1934 (15
 24 U.S.C. 78d) is amended by adding at the end the fol-
 25 lowing:

1 “(k) OFFICES OF SMALL BUSINESS.—The Commis-
2 sion shall ensure that, within each of the Division of Cor-
3 poration Finance, the Division of Investment Manage-
4 ment, and the Division of Trading and Markets, an Office
5 of Small Business is established that shall coordinate with
6 the Office of the Advocate for Small Business Capital For-
7 mation on rules and policy priorities related to capital for-
8 mation. This subsection may not be construed to authorize
9 expenditures for additional full-time equivalent employ-
10 ees.”.

11 **SEC. 106. SMALL ENTITY UPDATE.**

12 (a) DEFINITIONS.—In this section—

13 (1) the term “Commission” means the Securi-
14 ties and Exchange Commission; and

15 (2) the term “small entity”—

16 (A) has the meaning given the term in sec-
17 tion 601 of title 5, United States Code, with re-
18 spect to the activities of the Commission; and

19 (B) includes any definition established by
20 the Commission of the term “small business”,
21 “small organization”, “small governmental ju-
22 risdiction”, or “small entity” under paragraph
23 (3), (4), (5), or (6), respectively, of section 601
24 of title 5, United States Code, with respect to
25 the activities of the Commission.

1 (b) STUDIES AND REPORTS.—Not later than 1 year
2 after the date of enactment of this Act, and again 5 years
3 thereafter, the Commission shall—

4 (1) conduct a study of the definition of the
5 term “small entity” with respect to the activities of
6 the Commission for the purposes of chapter 6 of
7 title 5, United States Code, which shall consider—

8 (A) the extent to which the definition of
9 the term “small entity”, as in effect during the
10 period in which the study is conducted, aligns
11 with the findings and declarations made under
12 section 2(a) of the Regulatory Flexibility Act (5
13 U.S.C. 601 note);

14 (B) the amount by which financial markets
15 in the United States have grown since the last
16 time the Commission amended the definition of
17 the term “small entity”, if applicable; and

18 (C) how the Commission should define the
19 term “small entity” to ensure that the entities
20 that would fall under that definition be appro-
21 priately considered a “small entity” consistent
22 with subparagraphs (A) and (B); and

23 (2) submit to Congress a report that includes—

24 (A) the results of the applicable study con-
25 ducted under paragraph (1); and

1 (B) specific and detailed recommendations
2 on the ways in which the Commission could
3 amend the definition of the term “small entity”
4 to—

5 (i) be consistent with the results de-
6 scribed in subparagraph (A); and

7 (ii) expand the number of entities cov-
8 ered by such definition.

9 (c) PROPOSED RULE REVISIONS IN LIEU OF
10 STUDY.—

11 (1) INITIAL STUDY.—The Commission may sat-
12 isfy the requirement to conduct the first study de-
13 scribed in subsection (b)(1) and submit the associ-
14 ated report described in subsection (b)(2) by, within
15 1 year of the date of enactment of this Act, pro-
16 posing revisions to the rules of the Commission re-
17 lating to the term “small entity” in consideration of
18 subparagraphs (A), (B), and (C) of subsection
19 (b)(1).

20 (2) SECOND STUDY.—The Commission may
21 satisfy the requirement to conduct the second study
22 described in subsection (b)(1) and submit the associ-
23 ated report described in subsection (b)(2) by, no
24 sooner than 5 years and no later than 6 years after
25 the date of enactment of this Act, proposing revi-

1 sions to the rules of the Commission relating to the
 2 term “small entity” in consideration of subpara-
 3 graphs (A), (B), and (C) of subsection (b)(1).

4 (d) RULEMAKING.—Concurrently with, or after the
 5 completion of, each study required under subsection (b),
 6 the Commission shall, subject to public notice and com-
 7 ment, revise the rules of the Commission consistent with
 8 the results of such study.

9 (e) INFLATION ADJUSTMENTS.—After the Commis-
 10 sion issues the final rule revisions required under sub-
 11 section (c), and every 5 years thereafter, the Commission
 12 shall adjust any dollar figures under the definition of small
 13 entity established by the Commission to reflect the change
 14 in the Consumer Price Index for All Urban Consumers
 15 published by the Bureau of Labor Statistics of the Depart-
 16 ment of Labor.

17 **SEC. 107. IMPROVING ACCESS TO SMALL BUSINESS INFOR-**
 18 **MATION.**

19 Section 4(i) of the Securities Exchange Act of 1934
 20 (15 U.S.C. 78d(i)) is amended by adding at the end the
 21 following:

22 “(10) PRESERVATION OF INFORMATION COL-
 23 LECTION BURDEN REVIEW.—

24 “(A) IN GENERAL.—Actions taken by the
 25 Advocate for Small Business Capital Formation

1 under this subsection shall not be a ‘collection
2 of information’ for purposes of subchapter I of
3 chapter 35 of title 44, United States Code
4 (commonly known as the ‘Paperwork Reduction
5 Act’).

6 “(B) EXCEPTIONS.—Notwithstanding sub-
7 paragraph (A), the requirements under sub-
8 sections (c)(1), (c)(4), and (i) of section 3506
9 of title 44, United States Code, and section
10 3507(a)(1)(A) of such title shall apply to ac-
11 tions taken by the Advocate for Small Business
12 Capital Formation under this subsection, except
13 that the Commission shall not be required—

14 “(i) to submit a collection of informa-
15 tion by the Advocate to the Director of the
16 Office of Management and Budget, as ref-
17 erenced under section 3506(c)(1)(A) of
18 such title;

19 “(ii) to display a control number on a
20 collection of information by the Advocate,
21 as described under section
22 3506(c)(1)(B)(i) of such title (or to inform
23 a person receiving a collection of informa-
24 tion from the Advocate that the collection
25 of information needs to display a control

1 number, as described under section
 2 3506(c)(1)(B)(iii)(V) of such title); or
 3 “(iii) to indicate a collection of infor-
 4 mation by the Advocate is in accordance
 5 with the clearance requirements of section
 6 3507 of such title, as described under sec-
 7 tion 3506(c)(1)(B)(ii) of such title.”.

8 **SEC. 108. IMPROVING CAPITAL ALLOCATION FOR NEW-**
 9 **COMERS.**

10 (a) QUALIFYING VENTURE CAPITAL FUNDS.—Sec-
 11 tion 3(c)(1) of the Investment Company Act of 1940 (15
 12 U.S.C. 80a–3(c)(1)) is amended—

13 (1) in the matter preceding subparagraph (A),
 14 by striking “250 persons” and inserting “500 per-
 15 sons”; and

16 (2) in subparagraph (C)(i)—

17 (A) by striking “\$10,000,000” and insert-
 18 ing “\$50,000,000”; and

19 (B) by striking “beginning from a meas-
 20 urement made by the Commission on a date se-
 21 lected by the Commission” and inserting “be-
 22 ginning from a measurement made on the date
 23 of the enactment of the INVEST Act of 2025”.

24 (b) STUDY AND RULEMAKING.—

1 (1) IN GENERAL.—Beginning 5 years after the
2 date of enactment of this Act, the Advocate for
3 Small Business Capital Formation, in consultation
4 with the Investor Advocate, shall conduct a study on
5 the effect of the amendments made by subsection (a)
6 on the businesses and startup entities in which
7 qualifying venture capital funds invest, specifically
8 including, with respect to such businesses and start-
9 up entities, changes or trends relating to—

10 (A) the geographic distribution of capital
11 to portfolio companies;

12 (B) the socio-economic characteristics of
13 founders or controlling persons;

14 (C) the veteran status of founders or con-
15 trolling persons;

16 (D) the industry sector, size, stage of de-
17 velopment, and related details; and

18 (E) other factors or metrics determined by
19 the Advocate for Small Business Capital For-
20 mation.

21 (2) AUTHORITIES RELATED TO REQUIRED
22 STUDY.—For purposes of conducting the study re-
23 quired by paragraph (1), the Advocate for Small
24 Business Capital Formation and the Investor Advo-
25 cate shall have the authority to—

1 (A) obtain from the Securities and Ex-
2 change Commission (in this section referred to
3 as the “Commission”) and utilize any data or
4 information necessary to carry out the study;

5 (B) request and receive assistance from
6 any division or office of the Commission, includ-
7 ing the Division of Economic and Risk Anal-
8 ysis; and

9 (C) enter into agreements with third par-
10 ties to assist in data analysis.

11 (3) REPORT.—The Advocate for Small Business
12 Capital Formation shall issue a report to the Con-
13 gress containing all findings and determinations
14 made in carrying out the study required in para-
15 graph (1), and make such report available to the
16 public on the website of the Commission.

17 (4) PUBLIC COMMENT.—During the 180-day
18 period beginning on the date the report is issued
19 under paragraph (3), the Commission shall solicit
20 feedback from the public on the findings and deter-
21 minations contained in the report.

22 (5) RULEMAKING.—

23 (A) IN GENERAL.—The Commission, in
24 consultation with the Investor Advocate and the
25 Advocate for Small Business Capital Forma-

tion, may, after considering all comments received under paragraph (3) and only if the Commission determines in such report that the amendments made by subsection (a) have had a demonstrable effect on increasing the geographic distribution of capital to portfolio companies, increasing the variety of the socio-economic characteristics of founders or controlling persons, or increasing the number of founders or controlling persons who are veterans, issue rules to—

(i) increase or decrease the 500 person threshold described in the matter preceding subparagraph (A) of section 3(c)(1) of the Investment Company Act of 1940, but such threshold may not exceed 750 persons or be reduced below 250 persons; and

(ii) increase or decrease the \$50,000,000 dollar figure in section 3(c)(1)(C)(i) of the Investment Company Act of 1940, but such dollar figure may not exceed \$100,000,000 or be reduced below \$10,000,000.

(B) DEADLINE FOR RULEMAKING.—The rulemaking authority in subparagraph (A) only applies to a rule with respect to which the proposed rule was issued during the 180-day period beginning at the end of the public comment period described in paragraph (4).

(C) NO EFFECT ON INFLATION ADJUSTMENTS.—A rule issued under this subsection shall have no effect on the requirement under clause (i) of section 3(c)(1)(C) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)(C)) to index the first dollar amount in such clause for inflation.

SEC. 109. DEVELOPING AND EMPOWERING OUR ASPIRING LEADERS.

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall—

(1) revise the definition of a qualifying investment under paragraph (c) of section 275.203(l)–1 of title 17, Code of Federal Regulations—

(A) to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition; and

1 (B) to specify that an investment in an-
 2 other venture capital fund (as defined in para-
 3 graph (a) section 275.203(l)–1 of title 17, Code
 4 of Federal Regulations) is a qualifying invest-
 5 ment under such definition; and

6 (2) revise paragraph (a) of such section to re-
 7 quire, as a condition of a private fund qualifying as
 8 a venture capital fund under such paragraph, that,
 9 immediately after the acquisition of any asset, such
 10 fund holds no more than 49 percent of the amount
 11 of the fund’s aggregate capital contributions and
 12 uncalled committed capital (excluding short-term
 13 holdings) in—

14 (A) one or more venture capital funds; or

15 (B) qualifying investments acquired in a
 16 secondary acquisition, valued at cost or fair
 17 value, consistently applied by the fund.

18 **TITLE II—INCREASING OPPOR-** 19 **TUNITIES FOR INVESTORS**

20 **SEC. 201. FAIR INVESTMENT OPPORTUNITIES FOR PROFES-** 21 **SIONAL EXPERTS.**

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

24 (1) by redesignating subparagraphs (i) and (ii)
 25 as subparagraphs (A) and (F), respectively; and

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

4 “(B) with respect to a proposed sale of a
5 security, any natural person whose individual
6 net worth, or joint net worth with that person’s
7 spouse or spousal equivalent, at the time of
8 such sale, exceeds \$1,000,000 (which amount,
9 along with the amounts set forth in subpara-
10 graph (C), shall be adjusted for inflation by the
11 Commission every 5 years to the nearest
12 \$10,000 to reflect the change in the Consumer
13 Price Index for All Urban Consumers published
14 by the Bureau of Labor Statistics) where, for
15 purposes of calculating net worth under this
16 subparagraph—

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

19 “(ii) indebtedness that is secured by
20 the person’s primary residence, up to the
21 estimated fair market value of the primary
22 residence at the time of such sale, shall not
23 be included as a liability (except that if the
24 amount of such indebtedness outstanding
25 at the time of such sale exceeds the

1 amount outstanding 60 days before such
2 time, other than as a result of the acquisi-
3 tion of the primary residence, the amount
4 of such excess shall be included as a liabil-
5 ity); and

6 “(iii) indebtedness that is secured by
7 the person’s primary residence in excess of
8 the estimated fair market value of the pri-
9 mary residence at the time of such sale
10 shall be included as a liability;

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

18 “(D) any natural person who is—

19 “(i) currently licensed or registered as
20 a broker or investment adviser by the
21 Commission, a self-regulatory organization
22 (as defined in section 3(a) of the Securities
23 Exchange Act of 1934), or the securities
24 division of a State, the District of Colum-
25 bia, or a territory of the United States or

1 the equivalent division responsible for li-
2 censing or registration of individuals in
3 connection with securities activities; and

4 “(ii) in good standing with respect to
5 such license or registration;

6 “(E) any natural person the Commission
7 determines, by regulation, to have demonstrable
8 education or job experience to qualify such per-
9 son as having professional knowledge of a sub-
10 ject related to a particular investment, and
11 whose education or job experience is verified by
12 a self-regulatory organization (as defined in sec-
13 tion 3(a) of the Securities Exchange Act of
14 1934); or”.

15 (b) RULEMAKING.—Not later than 180 days after the
16 date of enactment of this Act, the Securities and Ex-
17 change Commission shall revise the definition of accred-
18 ited investor under Regulation D (17 CFR 230.500 et
19 seq.) to conform with the amendments made by subsection
20 (a).

21 **SEC. 202. RETIREMENT FAIRNESS FOR CHARITIES AND**
22 **EDUCATIONAL INSTITUTIONS.**

23 (a) AMENDMENTS TO THE INVESTMENT COMPANY
24 ACT OF 1940.—Section 3(c)(11) of the Investment Com-

1 pany Act of 1940 (15 U.S.C. 80a-3(c)(11)) is amended
2 to read as follows:

3 “(11) Any—

4 “(A) employee’s stock bonus, pension, or
5 profit-sharing trust which meets the require-
6 ments for qualification under section 401 of the
7 Internal Revenue Code of 1986;

8 “(B) custodial account meeting the re-
9 quirements of section 403(b)(7) of such Code;

10 “(C) governmental plan described in sec-
11 tion 3(a)(2)(C) of the Securities Act of 1933
12 (15 U.S.C. 77c(a)(2)(C));

13 “(D) collective trust fund maintained by a
14 bank consisting solely of assets of one or
15 more—

16 “(i) trusts described in subparagraph
17 (A);

18 “(ii) governmental plans described in
19 subparagraph (C);

20 “(iii) church plans, companies, or ac-
21 counts that are excluded from the defini-
22 tion of an investment company under para-
23 graph (14) of this subsection; or

1 “(iv) plans which meet the require-
2 ments of section 403(b) of the Internal
3 Revenue Code of 1986—

4 “(I) if—

5 “(aa) such plan is subject to
6 title I of the Employee Retire-
7 ment Income Security Act of
8 1974 (29 U.S.C. 1001 et seq.);

9 “(bb) any employer making
10 such plan available agrees to
11 serve as a fiduciary for the plan
12 with respect to the selection of
13 the plan’s investments among
14 which participants can choose; or

15 “(cc) such plan is a govern-
16 mental plan (as defined in sec-
17 tion 414(d) of such Code); and

18 “(II) if the employer, a fiduciary
19 of the plan, or another person acting
20 on behalf of the employer reviews and
21 approves each investment alternative
22 offered under such plan described
23 under subclause (I)(cc) prior to the
24 investment being offered to partici-
25 pants in the plan; or

1 “(E) separate account the assets of which
2 are derived solely from—

3 “(i) contributions under pension or
4 profit-sharing plans which meet the re-
5 quirements of section 401 of the Internal
6 Revenue Code of 1986 or the requirements
7 for deduction of the employer’s contribu-
8 tion under section 404(a)(2) of such Code;

9 “(ii) contributions under govern-
10 mental plans in connection with which in-
11 terests, participations, or securities are ex-
12 empted from the registration provisions of
13 section 5 of the Securities Act of 1933 (15
14 U.S.C. 77e) by section 3(a)(2)(C) of such
15 Act (15 U.S.C. 77c(a)(2)(C));

16 “(iii) advances made by an insurance
17 company in connection with the operation
18 of such separate account; and

19 “(iv) contributions to a plan described
20 in clause (iii) or (iv) of subparagraph
21 (D).”.

22 (b) AMENDMENTS TO THE SECURITIES ACT OF
23 1933.—Section 3(a)(2) of the Securities Act of 1933 (15
24 U.S.C. 77c(a)(2)) is amended—

1 (1) by striking “beneficiaries, or (D)” and in-
2 serting “beneficiaries, (D) a plan which meets the
3 requirements of section 403(b) of such Code (i) if
4 (I) such plan is subject to title I of the Employee
5 Retirement Income Security Act of 1974 (29 U.S.C.
6 1001 et seq.), (II) any employer making such plan
7 available agrees to serve as a fiduciary for the plan
8 with respect to the selection of the plan’s invest-
9 ments among which participants can choose, or (III)
10 such plan is a governmental plan (as defined in sec-
11 tion 414(d) of such Code), and (ii) if the employer,
12 a fiduciary of the plan, or another person acting on
13 behalf of the employer reviews and approves each in-
14 vestment alternative offered under any plan de-
15 scribed under clause (i)(III) prior to the investment
16 being offered to participants in the plan, or (E)”;

17 (2) by striking “(C), or (D)” and inserting
18 “(C), (D), or (E)”; and

19 (3) by striking “(iii) which is a plan funded”
20 and all that follows through “retirement income ac-
21 count).” and inserting “(iii) in the case of a plan not
22 described in subparagraph (D) or (E), which is a
23 plan funded by an annuity contract described in sec-
24 tion 403(b) of such Code”.

1 (c) AMENDMENTS TO THE SECURITIES EXCHANGE
2 ACT OF 1934.—Section 3(a)(12)(C) of the Securities Ex-
3 change Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amend-
4 ed—

5 (1) by striking “or (iv)” and inserting “(iv) a
6 plan which meets the requirements of section 403(b)
7 of such Code (I) if (aa) such plan is subject to title
8 I of the Employee Retirement Income Security Act
9 of 1974 (29 U.S.C. 1001 et seq.), (bb) any employer
10 making such plan available agrees to serve as a fidu-
11 ciary for the plan with respect to the selection of the
12 plan’s investments among which participants can
13 choose, or (cc) such plan is a governmental plan (as
14 defined in section 414(d) of such Code), and (II) if
15 the employer, a fiduciary of the plan, or another per-
16 son acting on behalf of the employer reviews and ap-
17 proves each investment alternative offered under any
18 plan described under subclause (I)(cc) prior to the
19 investment being offered to participants in the plan,
20 or (v)”;

21 (2) by striking “(ii), or (iii)” and inserting
22 “(ii), (iii), or (iv)”;

23 (3) by striking “(II) is a plan funded” and in-
24 serting “(II) in the case of a plan not described in
25 clause (iv), is a plan funded”.

1 (d) CONFORMING AMENDMENT TO THE SECURITIES
 2 EXCHANGE ACT OF 1934.—Section 12(g)(2)(H) of the
 3 Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(2)(H))
 4 is amended by striking “or (iii)” and inserting “(iii) a plan
 5 described in section 3(a)(12)(C)(iv) of this Act, or (iv)”.

6 **SEC. 203. EQUAL OPPORTUNITY FOR ALL INVESTORS.**

7 (a) IN GENERAL.—The Commission shall revise the
 8 definition of “accredited investor” under Regulation D
 9 (section 230.500 et seq. of title 17, Code of Federal Regu-
 10 lations) to include any natural person who is certified
 11 through the examination required under subsection (b).

12 (b) ESTABLISHMENT OF EXAMINATION.—Not later
 13 than 1 year after the date of the enactment of this Act,
 14 the Commission shall establish an examination (including
 15 a test, certification, or examination program)—

16 (1) to certify an individual as an accredited in-
 17 vestor; and

18 (2) that—

19 (A) is designed with an appropriate level of
 20 difficulty such that an individual with financial
 21 sophistication would be unlikely to fail; and

22 (B) includes methods to determine whether
 23 an individual seeking to be certified as an ac-
 24 credited investor demonstrates competency with
 25 respect to—

- 1 (i) the different types of securities;
- 2 (ii) the disclosure requirements under
- 3 the securities laws applicable to issuers
- 4 and offerings of securities exempt from
- 5 registration under section 5 of the Securi-
- 6 ties Act of 1933 as compared to issuers
- 7 and offerings of securities subject to such
- 8 section 5;
- 9 (iii) corporate governance;
- 10 (iv) financial statements and the com-
- 11 ponents of such statements;
- 12 (v) aspects of unregistered securities,
- 13 securities issued by private companies, and
- 14 investments into private funds, including
- 15 risks associated with—
 - 16 (I) limited liquidity;
 - 17 (II) limited disclosures;
 - 18 (III) subjectivity and variability
 - 19 in valuations and the analytical tools
 - 20 investors may use to assess such valu-
 - 21 ations;
 - 22 (IV) information asymmetry;
 - 23 (V) leverage risks;
 - 24 (VI) concentration risk; and
 - 25 (VII) longer investment horizons;

1 (vi) potential conflicts of interest,
2 when the interests of financial profes-
3 sionals and their clients are misaligned or
4 when their professional responsibilities may
5 be in conflict with financial motivations;
6 and

7 (vii) such other criteria as the Com-
8 mission determines necessary or appro-
9 priate in the public interest or for the pro-
10 tection of investors.

11 (c) ADMINISTRATION.—Beginning not later than 180
12 days after the date the examination is established under
13 subsection (b), such examination shall be administered
14 and offered free of charge to the public by a registered
15 national securities association under section 15A of the
16 Securities Exchange Act of 1934 (15 U.S.C. 78o–3).

17 (d) COMMISSION DEFINED.—In this section, the term
18 “Commission” means the Securities and Exchange Com-
19 mission.

20 **SEC. 204. SENIOR SECURITY.**

21 (a) SENIOR INVESTOR TASKFORCE.—Section 4 of the
22 Securities Exchange Act of 1934 (15 U.S.C. 78d), as
23 amended by section 105 is further amended by adding at
24 the end the following:

25 “(l) SENIOR INVESTOR TASKFORCE.—

1 “(1) ESTABLISHMENT.—There is established
2 within the Commission the Senior Investor
3 Taskforce (in this subsection referred to as the
4 ‘Taskforce’).

5 “(2) DIRECTOR OF THE TASKFORCE.—The
6 head of the Taskforce shall be the Director, who
7 shall—

8 “(A) report directly to the Chairman; and

9 “(B) be appointed by the Chairman, in
10 consultation with the Commission, from among
11 individuals—

12 “(i) currently employed by the Com-
13 mission or from outside of the Commis-
14 sion; and

15 “(ii) having experience in advocating
16 for the interests of senior investors.

17 “(3) STAFFING.—The Chairman shall ensure
18 that—

19 “(A) the Taskforce is staffed sufficiently to
20 carry out fully the requirements of this sub-
21 section; and

22 “(B) such staff shall include individuals
23 from the Division of Enforcement, Office of
24 Compliance Inspections and Examinations, and
25 Office of Investor Education and Advocacy.

1 “(4) NO COMPENSATION FOR MEMBERS OF
2 TASKFORCE.—All members of the Taskforce ap-
3 pointed under paragraph (2) or (3) shall serve with-
4 out compensation in addition to that received for
5 their services as officers or employees of the United
6 States.

7 “(5) MINIMIZING DUPLICATION OF EFFORTS.—
8 In organizing and staffing the Taskforce, the Chair-
9 man shall take such actions as may be necessary to
10 minimize the duplication of efforts within the divi-
11 sions and offices described under paragraph (3)(B)
12 and any other divisions, offices, or taskforces of the
13 Commission.

14 “(6) FUNCTIONS OF THE TASKFORCE.—The
15 Taskforce shall—

16 “(A) identify challenges that senior inves-
17 tors encounter, including problems associated
18 with financial exploitation and cognitive decline;

19 “(B) identify areas in which senior inves-
20 tors would benefit from changes in the regula-
21 tions of the Commission or the rules of self-reg-
22 ulatory organizations;

23 “(C) coordinate, as appropriate, with other
24 offices within the Commission, other taskforces
25 that may be established within the Commission,

1 self-regulatory organizations, and the Elder
2 Justice Coordinating Council; and

3 “(D) consult, as appropriate, with State
4 securities and law enforcement authorities,
5 State insurance regulators, and other Federal
6 agencies.

7 “(7) REPORT.—The Taskforce, in coordination,
8 as appropriate, with the Office of the Investor Advo-
9 cate and self-regulatory organizations, and in con-
10 sultation, as appropriate, with State securities and
11 law enforcement authorities, State insurance regu-
12 lators, and Federal agencies, shall issue a report
13 every 2 years to the Committee on Banking, Hous-
14 ing, and Urban Affairs and the Special Committee
15 on Aging of the Senate and the Committee on Fi-
16 nancial Services of the House of Representatives, the
17 first of which shall not be issued until after the re-
18 port described in section 3 of the National Senior
19 Investor Initiative Act of 2025 has been issued and
20 considered by the Taskforce, containing—

21 “(A) appropriate statistical information
22 and full and substantive analysis;

23 “(B) a summary of recent trends and inno-
24 vations that have impacted the investment land-
25 scape for senior investors;

1 “(C) a summary of regulatory initiatives
2 that have concentrated on senior investors and
3 industry practices related to senior investors;

4 “(D) key observations, best practices, and
5 areas needing improvement, involving senior in-
6 vestors identified during examinations, enforce-
7 ment actions, and investor education outreach;

8 “(E) a summary of the most serious issues
9 encountered by senior investors, including
10 issues involving financial products and services;

11 “(F) an analysis with regard to existing
12 policies and procedures of brokers, dealers, in-
13 vestment advisers, and other market partici-
14 pants related to senior investors and senior in-
15 vestor-related topics and whether these policies
16 and procedures need to be further developed or
17 refined;

18 “(G) recommendations for such changes to
19 the regulations, guidance, and orders of the
20 Commission and self-regulatory organizations
21 and such legislative actions as may be appro-
22 priate to resolve problems encountered by senior
23 investors; and

24 “(H) any other information, as determined
25 appropriate by the Director of the Taskforce.

1 “(8) REQUEST FOR REPORTS.—The Taskforce
2 shall make any report issued under paragraph (7)
3 available to a Member of Congress who requests
4 such a report.

5 “(9) SUNSET.—The Taskforce shall terminate
6 after the end of the 10-year period beginning on the
7 date of the enactment of this subsection.

8 “(10) SENIOR INVESTOR DEFINED.—In this
9 subsection, the term ‘senior investor’ means an in-
10 vestor over the age of 65.

11 “(11) USE OF EXISTING FUNDS.—The Commis-
12 sion shall use existing funds to carry out this sub-
13 section.”.

14 (b) GAO STUDY.—

15 (1) STUDY.—Not later than 2 years after the
16 date of enactment of this Act, the Comptroller Gen-
17 eral of the United States shall submit to Congress
18 and the Senior Investor Taskforce the results of a
19 study of financial exploitation of senior citizens.

20 (2) CONTENTS.—The study required under
21 paragraph (1) shall include information with respect
22 to—

23 (A) economic costs of the financial exploi-
24 tation of senior citizens—

1 (i) associated with losses by victims
2 that were incurred as a result of the finan-
3 cial exploitation of senior citizens;

4 (ii) incurred by State and Federal
5 agencies, law enforcement and investiga-
6 tory agencies, public benefit programs,
7 public health programs, and other public
8 programs as a result of the financial ex-
9 ploitation of senior citizens;

10 (iii) incurred by the private sector as
11 a result of the financial exploitation of sen-
12 ior citizens; and

13 (iv) any other relevant costs that—

14 (I) result from the financial ex-
15 ploitation of senior citizens; and

16 (II) the Comptroller General de-
17 termines are necessary and appro-
18 priate to include in order to provide
19 Congress and the public with a full
20 and accurate understanding of the
21 economic costs resulting from the fi-
22 nancial exploitation of senior citizens
23 in the United States;

24 (B) frequency of senior financial exploi-
25 tation and correlated or contributing factors—

1 (i) information about percentage of
2 senior citizens financially exploited each
3 year; and

4 (ii) information about factors contrib-
5 uting to increased risk of exploitation, in-
6 cluding such factors as race, social isola-
7 tion, income, net worth, religion, region,
8 occupation, education, home-ownership, ill-
9 ness, and loss of spouse; and

10 (C) policy responses and reporting of sen-
11 ior financial exploitation—

12 (i) the degree to which financial ex-
13 ploitation of senior citizens unreported to
14 authorities;

15 (ii) the reasons that financial exploi-
16 tation may be unreported to authorities;

17 (iii) to the extent that suspected elder
18 financial exploitation is currently being re-
19 ported—

20 (I) information regarding which
21 Federal, State, and local agencies are
22 receiving reports, including adult pro-
23 tective services, law enforcement, in-
24 dustry, regulators, and professional li-
25 censing boards;

1 (II) information regarding what
2 information is being collected by such
3 agencies; and

4 (III) information regarding the
5 actions that are taken by such agen-
6 cies upon receipt of the report and
7 any limits on the agencies' ability to
8 prevent exploitation, such as jurisdic-
9 tional limits, a lack of expertise, re-
10 source challenges, or limiting criteria
11 with regard to the types of victims
12 they are permitted to serve;

13 (iv) an analysis of gaps that may exist
14 in empowering Federal, State, and local
15 agencies to prevent senior exploitation or
16 respond effectively to suspected senior fi-
17 nancial exploitation; and

18 (v) an analysis of the legal hurdles
19 that prevent Federal, State, and local
20 agencies from effectively partnering with
21 each other and private professionals to ef-
22 fectively respond to senior financial exploi-
23 tation.

1 (3) SENIOR CITIZEN DEFINED.—In this sub-
2 section, the term “senior citizen” means an indi-
3 vidual over the age of 65.

4 **SEC. 205. IMPROVING DISCLOSURE FOR INVESTORS.**

5 (a) PROMULGATION OF RULES.—Not later than 180
6 days after the date of the enactment of this section, the
7 Securities and Exchange Commission shall propose and,
8 not later than 1 year after the date of the enactment of
9 this section, the Commission shall finalize rules, regula-
10 tions, amendments, or interpretations, as appropriate, to
11 allow a covered entity to satisfy the entity’s obligation to
12 deliver regulatory documents required under the securities
13 laws to investors using electronic delivery.

14 (b) REQUIRED PROVISIONS.—Rules, regulations,
15 amendments, or interpretations the Commission promul-
16 gates pursuant to subsection (a) shall:

17 (1) With respect to investors that do not receive
18 all regulatory documents by electronic delivery, pro-
19 vide for—

20 (A) delivery of an initial communication in
21 paper form regarding electronic delivery;

22 (B) a transition period not to exceed 180
23 days until such regulatory documents are deliv-
24 ered to such investors by electronic delivery;
25 and

1 (C) during a period not to exceed 2 years
2 following the transition period set forth in sub-
3 paragraph (B), delivery of an annual notice in
4 paper form solely reminding such investors of
5 the ability to opt out of electronic delivery at
6 any time and receive paper versions of regu-
7 latory documents.

8 (2) Set forth requirements for the content of
9 the initial communication described in paragraph
10 (1)(A).

11 (3) Set forth requirements for the timing of de-
12 livery of a notice of website availability of regulatory
13 documents and the content of the appropriate notice
14 described in subsection (g)(3)(B).

15 (4) Provide a mechanism for investors to opt
16 out of electronic delivery at any time and receive
17 paper versions of regulatory documents.

18 (5) Require measures reasonably designed to
19 identify and remediate failed electronic deliveries of
20 regulatory documents.

21 (6) Set forth minimum requirements regarding
22 readability and retainability for regulatory docu-
23 ments that are delivered electronically.

24 (7) For covered entities other than brokers,
25 dealers, investment advisers registered with the

1 Commission, and investment companies, require
2 measures reasonably designed to ensure the con-
3 fidentiality of personal information in regulatory
4 documents that are delivered to investors electroni-
5 cally.

6 (c) EXEMPTION FROM CERTAIN REQUIREMENTS.—
7 Section 101(c) of the Electronic Signatures in Global and
8 National Commerce Act (15 U.S.C. 7001(c)) shall not
9 apply with respect to a regulatory document delivered in
10 accordance with this section.

11 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion shall be construed as altering the substance or timing
13 of any regulatory document obligation under the securities
14 laws or regulations of a self-regulatory organization.

15 (e) TREATMENT OF REVISIONS NOT COMPLETED IN
16 A TIMELY MANNER.—If the Commission fails to finalize
17 the rules, regulations, amendments, or interpretations re-
18 quired under subsection (a) before the date specified in
19 such subsection—

20 (1) a covered entity may deliver regulatory doc-
21 uments using electronic delivery in accordance with
22 subsections (b) and (c); and

23 (2) such electronic delivery shall be deemed to
24 satisfy the obligation of the covered entity to deliver

1 regulatory documents required under the securities
2 laws.

3 (f) OTHER REQUIRED ACTIONS.—

4 (1) REVIEW OF RULES.—The Commission
5 shall—

6 (A) within 180 days of the date of enact-
7 ment of this Act, conduct a review of the rules
8 and regulations of the Commission to determine
9 whether any such rules or regulations require
10 delivery of written documents to investors; and

11 (B) within 1 year of the date of enactment
12 of this Act, promulgate amendments to such
13 rules or regulations to provide that any require-
14 ment to deliver a regulatory document “in writ-
15 ing” may be satisfied by electronic delivery.

16 (2) ACTIONS BY SELF-REGULATORY ORGANIZA-
17 TIONS.—Each self-regulatory organization shall
18 adopt rules and regulations, or amend the rules and
19 regulations of the self-regulatory organization, con-
20 sistent with this section and consistent with rules,
21 regulations, amendments, or interpretations finalized
22 by the Commission pursuant to subsection (a).

23 (3) RULE OF APPLICATION.—This subsection
24 shall not apply to a rule or regulation issued pursu-
25 ant to a Federal statute if that Federal statute spe-

1 cifically requires delivery of paper documents to in-
2 vestors.

3 (g) DEFINITIONS.—In this section:

4 (1) COMMISSION.—The term “Commission”
5 means the Securities and Exchange Commission.

6 (2) COVERED ENTITY.—The term “covered en-
7 tity” means—

8 (A) an investment company (as defined in
9 section 3(a)(1) of the Investment Company Act
10 of 1940 (15 U.S.C. 80a–3(a)(1))) that is reg-
11 istered under such Act;

12 (B) a business development company (as
13 defined in section 2(a) of the Investment Com-
14 pany Act of 1940 (15 U.S.C. 80a–2(a))) that
15 has elected to be regulated as such under such
16 Act;

17 (C) a registered broker or dealer (as such
18 terms are defined, respectively, in paragraphs
19 (4) and (5) of section 3(a) of the Securities Ex-
20 change Act of 1934 (15 U.S.C. 78c(a)));

21 (D) a registered municipal securities dealer
22 (as defined in section 3(a)(30) of the Securities
23 Exchange Act of 1934 (15 U.S.C. 78c(a)(30)));

24 (E) a registered government securities
25 broker or government securities dealer (as such

1 terms are defined, respectively, in paragraphs
2 (43) and (44) of section 3(a) of the Securities
3 Exchange Act of 1934 (15 U.S.C. 78c(a));

4 (F) a registered investment adviser (as de-
5 fined in section 202(a)(11) of the Investment
6 Advisers Act of 1940 (15 U.S.C. 80b-
7 1(a)(11)));

8 (G) a registered transfer agent (as defined
9 in section 3(a)(25) of the Securities Exchange
10 Act of 1934 (15 U.S.C. 78c(a)(25))); or

11 (H) a registered funding portal (as defined
12 in the second paragraph (80) of section 3(a) of
13 the Securities Exchange Act of 1934 (15
14 U.S.C. 78c(a))).

15 (3) ELECTRONIC DELIVERY.—The term “elec-
16 tronic delivery”, with respect to regulatory docu-
17 ments, includes—

18 (A) the direct delivery of such regulatory
19 document to an electronic address of an inves-
20 tor;

21 (B) the posting of such regulatory docu-
22 ment to a website, and direct delivery of an ap-
23 propriate notice of the availability of the regu-
24 latory document to an electronic address of the
25 investor; or

1 (C) any other electronic method reasonably
2 designed to ensure receipt of such regulatory
3 document by the investor.

4 (4) REGULATORY DOCUMENTS.—The term
5 “regulatory documents” includes—

6 (A) prospectuses meeting the requirements
7 of section 10(a) of the Securities Act of 1933
8 (15 U.S.C. 77j(a));

9 (B) summary prospectuses meeting the re-
10 quirements of—

11 (i) section 230.498 of title 17, Code of
12 Federal Regulations; or

13 (ii) section 230.498A of title 17, Code
14 of Federal Regulations;

15 (C) statements of additional information,
16 as described under section 270.30e–3(h)(2) of
17 title 17, Code of Federal Regulations;

18 (D) annual and semi-annual reports to in-
19 vestors meeting the requirements of section
20 30(e) of the Investment Company Act of 1940
21 (15 U.S.C. 80a–29(e));

22 (E) notices meeting the requirements
23 under section 270.19a–1 of title 17, Code of
24 Federal Regulations;

1 (F) confirmations and account statements
2 meeting the requirements under section
3 240.10b of title 17, Code of Federal Regula-
4 tions;

5 (G) proxy statements meeting the require-
6 ments under section 240.14a-3 of title 17,
7 Code of Federal Regulations;

8 (H) privacy notices meeting the require-
9 ments of Regulation S-P under subpart A of
10 part 248 of title 17, Code of Federal Regula-
11 tions;

12 (I) affiliate marketing notices meeting the
13 requirements of Regulation S-AM under sub-
14 part B of part 248 of title 17, Code of Federal
15 Regulations; and

16 (J) all other regulatory documents re-
17 quired to be delivered by covered entities to in-
18 vestors under the securities laws and the rules
19 and regulations of the Commission and the self-
20 regulatory organizations.

21 (5) SECURITIES LAWS.—The term “securities
22 laws” has the meaning given the term in section
23 3(a) of the Securities Exchange Act of 1934 (15
24 U.S.C. 78c(a)).

1 (6) SELF-REGULATORY ORGANIZATION.—The
2 term “self-regulatory organization” means—

3 (A) a self-regulatory organization, as de-
4 fined in section 3(a)(26) of the Securities Ex-
5 change Act of 1934 (15 U.S.C. 78c(a)(26));
6 and

7 (B) the Municipal Securities Rulemaking
8 Board.

9 (7) WEBSITE.—The term “website” means an
10 internet website or other digital, internet, or elec-
11 tronic-based information repository, including a mo-
12 bile application.

13 **SEC. 206. INCREASING INVESTOR OPPORTUNITIES.**

14 (a) IN GENERAL.—Section 5 of the Investment Com-
15 pany Act of 1940 (15 U.S.C. 80a–5) is amended by add-
16 ing at the end the following:

17 “(d) CLOSED-END COMPANY AUTHORITY TO INVEST
18 IN PRIVATE FUNDS.—

19 “(1) IN GENERAL.—Except as otherwise pro-
20 hibited or restricted by this Act (or any rule issued
21 under this Act), the Commission may not prohibit or
22 otherwise limit a closed-end company from investing
23 any or all of the assets of the closed-end company
24 in securities issued by private funds.

1 “(2) OTHER RESTRICTIONS ON COMMISSION AU-
2 THORITY.—Except as otherwise prohibited or re-
3 stricted by this Act (or any rule issued under this
4 Act), the Commission may not impose any condition
5 on, restrict, or otherwise limit—

6 “(A) the offer to sell, or the sale of, securi-
7 ties issued by a closed-end company that in-
8 vests, or proposes to invest, in securities issued
9 by private funds; or

10 “(B) the listing of the securities of a
11 closed-end company described in subparagraph
12 (A) on a national securities exchange.

13 “(3) UNRELATED RESTRICTIONS.—The Com-
14 mission may impose a condition on, restrict, or oth-
15 erwise limit an activity described in paragraph (1) or
16 subparagraph (A) or (B) of paragraph (2) if that
17 condition, restriction, or limitation is unrelated to
18 the underlying characteristics of a private fund or
19 the status of a private fund as a private fund.

20 “(4) RULE OF APPLICATION.—Notwithstanding
21 section 6(f), this subsection shall also apply to a
22 closed-end company that elects to be treated as a
23 business development company pursuant to section
24 54.”.

1 (b) DEFINITION OF PRIVATE FUND.—Section 2(a) of
 2 the Investment Company Act of 1940 (15 U.S.C. 80a–
 3 2(a)) is amended by adding at the end the following:

4 “(55) The term ‘private fund’ has the meaning
 5 given in section 202(a) of the Investment Advisers
 6 Act of 1940 (15 U.S.C. 80b–2(a)).”.

7 (c) TREATMENT BY NATIONAL SECURITIES EX-
 8 CHANGES.—Section 6 of the Securities Exchange Act of
 9 1934 (15 U.S.C. 78f) is amended by adding at the end
 10 the following:

11 “(m)(1) Except as otherwise prohibited or restricted
 12 by rules of the exchange that are consistent with section
 13 5(d) of the Investment Company Act of 1940 (15 U.S.C.
 14 80a–5(d)), an exchange may not prohibit, condition, re-
 15 strict, or impose any other limitation on the listing or
 16 trading of the securities of a closed-end company when
 17 the closed-end company invests, or may invest, some or
 18 all of the assets of the closed-end company in securities
 19 issued by private funds.

20 “(2) In this subsection—

21 “(A) the term ‘closed-end company’—

22 “(i) has the meaning given the term in sec-
 23 tion 5(a) of the Investment Company Act of
 24 1940 (15 U.S.C. 80a–5(a)); and

1 “(ii) includes a closed-end company that
 2 elects to be treated as a business development
 3 company pursuant to section 54 of the Invest-
 4 ment Company Act of 1940 (15 U.S.C. 80a–
 5 53); and

6 “(B) the term ‘private fund’ has the meaning
 7 given in section 202(a) of the Investment Advisers
 8 Act of 1940 (15 U.S.C. 80b–2(a)).”.

9 (d) INVESTMENT LIMITATION.—Section 3(c) of the
 10 Investment Company Act of 1940 (15 U.S.C. 80a–3(c))
 11 is amended—

12 (1) in paragraph (1), in the matter preceding
 13 subparagraph (A), in the second sentence, by strik-
 14 ing “subparagraphs (A)(i) and (B)(i)” and inserting
 15 “subparagraphs (A)(i), (B)(i), and (C)”;

16 (2) in paragraph (7)(D), by striking “subpara-
 17 graphs (A)(i) and (B)(i)” and inserting “subpara-
 18 graphs (A)(i), (B)(i), and (C)”.

19 (e) RULES OF CONSTRUCTION.—

20 (1) Nothing in this section or the amendments
 21 made by this section may be construed to limit or
 22 amend any fiduciary duty owed to a closed-end com-
 23 pany (as defined in section 5(a)(2) of the Investment
 24 Company Act of 1940 (15 U.S.C. 80a–5(a)(2))) or
 25 by an investment adviser (as defined under section

1 2(a) of the Investment Company Act of 1940 (15
2 U.S.C. 80a-2(a))) to a closed-end company.

3 (2) Nothing in this section or the amendments
4 made by this section may be construed to limit or
5 amend the valuation, liquidity, or redemption re-
6 quirements or obligations of a closed-end company
7 (as defined in section 5(a)(2) of the Investment
8 Company Act of 1940 (15 U.S.C. 80a-5(a)(2))) as
9 required by the Investment Company Act of 1940.

10 **TITLE III—STRENGTHENING** 11 **PUBLIC MARKETS**

12 **SEC. 301. ENCOURAGING LOCAL EMERGING VENTURES** 13 **AND ECONOMIC GROWTH.**

14 Section 12(b) of the Securities Exchange Act of 1934
15 (15 U.S.C. 78l(b)) is amended—

16 (1) in paragraph (1)(K), by striking “years,”
17 and inserting “years (or, in the case of an emerging
18 growth company, not more than the two preceding
19 years),”; and

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

21 “Any issuer may confidentially submit to the Commission
22 a draft registration statement for confidential nonpublic
23 review by the staff of the Commission prior to public fil-
24 ing, provided that the initial confidential submission and
25 all amendments thereto shall be publicly filed with the

1 Commission not later than 10 days before listing on a na-
 2 tional securities exchange. Notwithstanding any other pro-
 3 vision of this title, the Commission shall not be compelled
 4 to disclose any information provided to or obtained by the
 5 Commission pursuant to this subsection. For purposes of
 6 section 552 of title 5, this subsection shall be considered
 7 a statute described in subsection (b)(3)(B) of such section
 8 552. Information described in or obtained pursuant to this
 9 subsection shall be deemed to constitute confidential infor-
 10 mation for purposes of section 24.”.

11 **SEC. 302. ACCESS TO SMALL BUSINESS INVESTOR CAPITAL.**

12 (a) DEFINITIONS.—For purposes of this section:

13 (1) ACQUIRED FUND.—The term “Acquired
 14 Fund” has the meaning given the term in Forms N-
 15 1A, N-2, and N-3.

16 (2) ACQUIRED FUND FEES AND EXPENSES.—
 17 The term “Acquired Fund Fees and Expenses”
 18 means the Acquired Fund Fees and Expenses sub-
 19 caption in the Fee Table Disclosure.

20 (3) BUSINESS DEVELOPMENT COMPANY.—The
 21 term “business development company” has the
 22 meaning given the term in section 2(a) of the Invest-
 23 ment Company Act of 1940 (15 U.S.C. 80a-2(a)).

24 (4) FEE TABLE DISCLOSURE.—The term “Fee
 25 Table Disclosure” means the fee table described in

1 Item 3 of Form N-1A, Item 3 of Form N-2, or
2 Item 4 of Form N-3 (as applicable, and with respect
3 to each, in any successor fee table disclosure that
4 the Securities and Exchange Commission adopts).

5 (5) FORM N-1A.—The term “Form N-1A”
6 means the form described in section 274.11A of title
7 17, Code of Federal Regulations, or any successor
8 regulation.

9 (6) FORM N-2.—The term “Form N-2” means
10 the form described in section 274.11a-1 of title 17,
11 Code of Federal Regulations, or any successor regu-
12 lation.

13 (7) FORM N-3.—The term “Form N-3” means
14 the form described in section 274.11b of title 17,
15 Code of Federal Regulations, or any successor regu-
16 lation.

17 (8) REGISTERED INVESTMENT COMPANY.—The
18 term “registered investment company” means an in-
19 vestment company, as defined under section 3(a) of
20 the Investment Company Act of 1940 (15 U.S.C.
21 80a-3(a)), registered with the Securities and Ex-
22 change Commission under such Act.

23 (b) EXCLUDING BUSINESS DEVELOPMENT COMPA-
24 NIES FROM ACQUIRED FUND FEES AND EXPENSES.—A
25 registered investment company may, on any investment

1 company registration statement filed pursuant to section
 2 8(b) of the Investment Company Act of 1940 (15 U.S.C.
 3 80a–8(b)), omit from the calculation of Acquired Fund
 4 Fees and Expenses those fees and expenses that the in-
 5 vestment company incurred indirectly as a result of invest-
 6 ment in shares of one or more Acquired Funds that is
 7 a business development company.

8 **SEC. 303. ENCOURAGING PUBLIC OFFERINGS.**

9 (a) EXPANDING TESTING THE WATERS.—Section
 10 5(d) of the Securities Act of 1933 (15 U.S.C. 77e(d)) is
 11 amended—

12 (1) by striking “Notwithstanding” and insert-
 13 ing the following:

14 “(1) IN GENERAL.—Notwithstanding”;

15 (2) by striking “an emerging growth company
 16 or any person authorized to act on behalf of an
 17 emerging growth company” and inserting “an issuer
 18 or any person authorized to act on behalf of an
 19 issuer”; and

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

21 “(2) ADDITIONAL REQUIREMENTS.—

22 “(A) IN GENERAL.—The Commission may
 23 promulgate regulations, subject to public notice
 24 and comment, to impose such other terms, con-
 25 ditions, or requirements on the engaging in oral

or written communications described under paragraph (1) by an issuer other than an emerging growth company as the Commission determines appropriate.

“(B) REPORT TO CONGRESS.—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.”.

(b) CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS.—Section 6(e) of the Securities Act of 1933 (15 U.S.C. 77f(e)) is amended—

(1) in the heading, by striking “EMERGING GROWTH COMPANIES” and inserting “CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Any issuer may, with respect to an initial public offering, initial registration of a security of the issuer under section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)), or follow-on offering, confidentially submit to the

1 Commission a draft registration statement, for con-
2 fidential nonpublic review by the staff of the Com-
3 mission prior to public filing, provided that the ini-
4 tial confidential submission and all amendments
5 thereto shall be publicly filed with the Commission
6 not later than—

7 “(A) in the case of an initial public offer-
8 ing, 10 days before the effective date of such
9 registration statement;

10 “(B) in the case of an initial registration
11 of a security of the issuer under such section
12 12(b), 10 days before listing on an exchange; or

13 “(C) in the case of any offering after an
14 initial public offering or an initial registration
15 under such section 12(b), 48 hours before the
16 effective date of such registration statement.

17 “(2) ADDITIONAL REQUIREMENTS.—

18 “(A) IN GENERAL.—The Commission may
19 promulgate regulations, subject to public notice
20 and comment, to impose such other terms, con-
21 ditions, or requirements on the submission of
22 draft registration statements described under
23 this subsection by an issuer other than an
24 emerging growth company as the Commission
25 determines appropriate.

1 “(B) REPORT TO CONGRESS.—Prior to any
2 rulemaking described under subparagraph (A),
3 the Commission shall submit to Congress a re-
4 port containing a list of the findings supporting
5 the basis of the rulemaking.”.

6 **SEC. 304. GREENLIGHTING GROWTH.**

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

10 (1) in subparagraph (A), by striking “and” at
11 the end;

12 (2) by redesignating subparagraph (B) as sub-
13 paragraph (C); and

14 (3) by inserting after subparagraph (A) the fol-
15 lowing:

16 “(B) need not present acquired company
17 financial statements or information otherwise
18 required under section 210.3–05 or section
19 210.8–04 of title 17, Code of Federal Regula-
20 tions, or any successor thereto, for any period
21 prior to the earliest audited period of the
22 emerging growth company presented in connec-
23 tion with its initial public offering and, there-
24 after, in no event shall an issuer that was an
25 emerging growth company but is no longer an

1 emerging growth company be required to
2 present financial statements of the issuer (or
3 acquired company financial statements or infor-
4 mation otherwise required under section 210.3–
5 05 or section 210.8–04 of title 17, Code of Fed-
6 eral Regulations, or any successor thereto) for
7 any period prior to the earliest audited period
8 of the emerging growth company presented in
9 connection with its initial public offering; and”.

10 (b) SECURITIES EXCHANGE ACT OF 1934.—Section
11 12(b)(1)(K) of the Securities Exchange Act of 1934 (15
12 U.S.C. 78l(b)(1)(K)) is amended by striking “firm” and
13 inserting “firm, provided that the application of an emerg-
14 ing growth company need not present acquired company
15 financial statements or information otherwise required
16 under section 210.3–05 or section 210.8–04 of title 17,
17 Code of Federal Regulations, or any successor thereto, for
18 any period prior to the earliest audited period of the
19 emerging growth company presented in connection with its
20 application and, thereafter, in no event shall an issuer that
21 was an emerging growth company but is no longer an
22 emerging growth company be required to present financial
23 statements of the issuer (or acquired company financial
24 statements or information otherwise required under sec-
25 tion 210.3–05 or section 210.8–04 of title 17, Code of

1 Federal Regulations, or any successor thereto) for any pe-
2 riod prior to the earliest audited period of the emerging
3 growth company presented in connection with any applica-
4 tion under this subsection”.

5 **SEC. 305. MIDDLE MARKET IPO COST.**

6 (a) STUDY.—The Comptroller General of the United
7 States, in consultation with the Securities and Exchange
8 Commission and the Financial Industry Regulatory Au-
9 thority, shall carry out a study of the costs associated with
10 small- and medium-sized companies to undertake initial
11 public offerings (“IPOs”). In carrying out such study, the
12 Comptroller General shall—

13 (1) consider the direct and indirect costs of an
14 IPO, including—

15 (A) fees of accountants, underwriters, and
16 any other outside advisors with respect to the
17 IPO;

18 (B) compliance with Federal and State se-
19 curities laws at the time of the IPO; and

20 (C) such other IPO-related costs as the
21 Comptroller General may consider;

22 (2) compare and analyze the costs of an IPO
23 with the costs of obtaining alternative sources of fi-
24 nancing and of liquidity;

1 (3) consider the impact of such costs on capital
2 formation;

3 (4) analyze the impact of these costs on the
4 availability of public securities of small- and me-
5 dium-sized companies to retail investors; and

6 (5) analyze trends in IPOs over a time period
7 the Comptroller General determines is appropriate to
8 analyze IPO pricing practices, considering—

9 (A) the number of IPOs;

10 (B) how costs for IPOs have evolved over
11 time for underwriters, investment advisory
12 firms, and other professions for services in con-
13 nection with an IPO;

14 (C) the number of brokers and dealers ac-
15 tive in underwriting IPOs;

16 (D) the different types of services that un-
17 derwriters and related persons provide before
18 and after a small- or medium-sized company
19 IPO and the factors impacting IPOs costs;

20 (E) changes in the costs and availability of
21 investment research for small- and medium-
22 sized companies; and

23 (F) the impacts of litigation and its costs
24 on being a public company.

1 (b) REPORT.—Not later than the end of the 360-day
2 period beginning on the date of the enactment of this Act,
3 the Comptroller General of the United States shall issue
4 a report to the Congress containing all findings and deter-
5 minations made in carrying out the study required under
6 subsection (a) and any administrative or legislative rec-
7 ommendations the Comptroller General may have.

8 **SEC. 306. EXPANDING WKSI ELIGIBILITY.**

9 (a) IN GENERAL.—For purposes of the Federal secu-
10 rities laws, and regulations issued thereunder, an issuer
11 shall be a “well-known seasoned issuer” if—

12 (1) the aggregate market value of the voting
13 and non-voting common equity held by non-affiliates
14 of the issuer is \$400,000,000 or more (as deter-
15 mined under Form S-3 general instruction I.B.1. as
16 in effect on the date of enactment of this Act); and

17 (2) the issuer otherwise satisfies the require-
18 ments of the definition of “well-known seasoned
19 issuer” contained in section 230.405 of title 17,
20 Code of Federal Regulations (as in effect on the
21 date of enactment of this Act) without reference to
22 any requirement in such definition relating to min-
23 imum worldwide market value of outstanding voting
24 and non-voting common equity held by non-affiliates.

1 (b) REPORT ON WITHDRAWN APPLICATIONS RE-
2 LATED TO WELL-KNOWN SEASONED ISSUER STATUS.—

3 The Securities and Exchange Commission shall, not later
4 than 90 days after the end of each calendar year, publish
5 the total number of applications submitted during such
6 calendar year where the applicant—

7 (1) submitted the application under section
8 230.405 of title 17, Code of Federal Regulations, for
9 a determination by the Commission that the appli-
10 cant not be considered an ineligible issuer under
11 such section;

12 (2) requested such determination in order to
13 meet the definition of a well-known seasoned issuer
14 under such section; and

15 (3) withdrew the application.

16 **SEC. 307. ENHANCING MULTI-CLASS SHARE DISCLOSURES.**

17 Section 14 of the Securities Exchange Act of 1934
18 (15 U.S.C. 78n) is amended by adding at the end the fol-
19 lowing:

20 “(1) DISCLOSURE RELATING TO MULTI-CLASS SHARE
21 STRUCTURES.—

22 “(1) DISCLOSURE.—The Commission shall, by
23 rule, require each issuer with a multi-class share
24 structure to disclose the information described in
25 paragraph (2) in any proxy or consent solicitation

1 material for an annual meeting of the shareholders
2 of the issuer, or any other filing as the Commission
3 determines appropriate.

4 “(2) CONTENT OF DISCLOSURE.—A disclosure
5 made under paragraph (1) shall include, with re-
6 spect to each person who is a director, director
7 nominee, or named executive officer of the issuer, or
8 who is the beneficial owner of securities with 5 per-
9 cent or more of the total combined voting power of
10 all classes of securities entitled to vote in the elec-
11 tion of directors—

12 “(A) the number of shares of all classes of
13 securities entitled to vote in the election of di-
14 rectors beneficially owned by such person, ex-
15 pressed as a percentage of the total number of
16 the outstanding securities of the issuer entitled
17 to vote in the election of directors; and

18 “(B) the amount of voting power held by
19 such person, expressed as a percentage of the
20 total combined voting power of all classes of the
21 securities of the issuer entitled to vote in the
22 election of directors.

23 “(3) MULTI-CLASS SHARE STRUCTURE.—In this
24 subsection, the term ‘multi-class share structure’
25 means a capitalization structure that contains 2 or

- 1 more types of securities that have differing amounts
- 2 of voting rights in the election of directors.”.

Passed the House of Representatives December 11,
2025.

Attest:

Clerk.

119TH CONGRESS
1ST Session

H. R. 3383

AN ACT

To amend the Investment Company Act of 1940 with respect to the authority of closed-end companies to invest in private funds.