

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to exclude qualified institutional buyers and institutional accredited investors when calculating holders of a security for purposes of the mandatory registration threshold under such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to exclude qualified institutional buyers and institutional accredited investors when calculating holders of a security for purposes of the mandatory registration threshold under such Act, 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. EXCLUSIONS FROM MANDATORY REGISTRA-**
4 **TION THRESHOLD.**

5 (a) IN GENERAL.—Section 12(g) of the Securities
6 Exchange Act of 1934 (15 U.S.C. 78l(g)) is amended—

1 (1) in paragraph (1)—

2 (A) in subparagraph (A)(i), by inserting
3 “(that are not a qualified institutional buyer or
4 an institutional accredited investor)” after “per-
5 sons”; and

6 (B) in subparagraph (B), by inserting
7 “(that are not a qualified institutional buyer or
8 an institutional accredited investor)” after “per-
9 sons”; and

10 (2) in paragraph (5), by adding at the end the
11 following: “The Commission may not issue any rule
12 that would reduce the number of persons specified
13 under paragraph (1) or (4), or modify the calcula-
14 tion of the number of such persons if such modifica-
15 tion would result in a higher number of persons than
16 the calculation in effect on the date of enactment of
17 this sentence.”

18 (b) NONAPPLICABILITY OF GENERAL EXEMPTIVE
19 AUTHORITY.—Section 36 of the Securities Exchange Act
20 of 1934 (15 U.S.C. 78mm) shall not apply to the matter
21 inserted or added by the amendments made by subsection
22 (a).