

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 1277  
OFFERED BY MR. MEEKS OF NEW YORK**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Improving Corporate  
3 Governance Through Diversity Act of 2021”.

**4 SEC. 2. SUBMISSION OF DATA RELATING TO DIVERSITY BY  
5 ISSUERS.**

6 Section 13 of the Securities Exchange Act of 1934  
7 (15 U.S.C. 78m) is amended by adding at the end the  
8 following:

9 “(s) SUBMISSION OF DATA RELATING TO DIVER-  
10 SITY.—

11 “(1) DEFINITIONS.—In this subsection—

12 “(A) the term ‘executive officer’ has the  
13 meaning given the term in section 230.501(f) of  
14 title 17, Code of Federal Regulations, as in ef-  
15 fect on the date of enactment of this subsection;  
16 and

1           “(B) the term ‘veteran’ has the meaning  
2           given the term in section 101 of title 38, United  
3           States Code.

4           “(2) SUBMISSION OF DISCLOSURE.—Each  
5           issuer required to file an annual report under sub-  
6           section (a) shall disclose in any proxy statement and  
7           any information statement relating to the election of  
8           directors filed with the Commission the following:

9           “(A) Data, based on voluntary self-identi-  
10          fication, on the racial, ethnic, and gender com-  
11          position of—

12           “(i) the board of directors of the  
13          issuer;

14           “(ii) nominees for the board of direc-  
15          tors of the issuer; and

16           “(iii) the executive officers of the  
17          issuer.

18           “(B) The status of any member of the  
19          board of directors of the issuer, any nominee  
20          for the board of directors of the issuer, or any  
21          executive officer of the issuer, based on vol-  
22          untary self-identification, as a veteran.

23           “(C) Whether the board of directors of the  
24          issuer, or any committee of that board of direc-  
25          tors, has, as of the date on which the issuer

1 makes a disclosure under this paragraph,  
2 adopted any policy, plan, or strategy to promote  
3 racial, ethnic, and gender diversity among—

4 “(i) the board of directors of the  
5 issuer;

6 “(ii) nominees for the board of direc-  
7 tors of the issuer; or

8 “(iii) the executive officers of the  
9 issuer.

10 “(3) ALTERNATIVE SUBMISSION.—In any 1-  
11 year period in which an issuer required to file an an-  
12 nual report under subsection (a) does not file with  
13 the Commission a proxy statement or an information  
14 statement relating to the election of directors, the  
15 issuer shall disclose the information required under  
16 paragraph (2) in the first annual report of issuer  
17 that the issuer submits to the Commission after the  
18 end of that 1-year period.

19 “(4) ANNUAL REPORT.—Not later than 18  
20 months after the date of enactment of this sub-  
21 section, and annually thereafter, the Commission  
22 shall submit to the Committee on Financial Services  
23 of the House of Representatives and the Committee  
24 on Banking, Housing, and Urban Affairs of the Sen-  
25 ate, and publish on the website of the Commission,

1 a report that analyzes the information disclosed  
2 under paragraphs (2) and (3) and identifies any  
3 trends with respect to such information.

4 “(5) BEST PRACTICES.—

5 “(A) IN GENERAL.—The Director of the  
6 Office of Minority and Women Inclusion of the  
7 Commission shall, not later than 3 years after  
8 the date of enactment of this subsection, and  
9 every 3 years thereafter, publish best practices  
10 for compliance with this subsection.

11 “(B) COMMENTS.—The Director of the Of-  
12 fice of Minority and Women Inclusion of the  
13 Commission may, pursuant to subchapter II of  
14 chapter 5 of title 5, United States Code, solicit  
15 public comments related to the best practices  
16 published under subparagraph (A).”.

17 **SEC. 3. DIVERSITY ADVISORY GROUP.**

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

19 (1) ADVISORY GROUP.—The term “Advisory  
20 Group” means the Diversity Advisory Group estab-  
21 lished under subsection (b).

22 (2) COMMISSION.—The term “Commission”  
23 means the Securities and Exchange Commission.

1           (3) ISSUER.—The term “issuer” has the mean-  
2           ing given the term in section 3(a) of the Securities  
3           Exchange Act of 1934 (15 U.S.C. 78c(a)).

4           (b) ESTABLISHMENT.—The Commission shall estab-  
5           lish a Diversity Advisory Group, which shall be composed  
6           of representatives from—

7                   (1) the Federal Government and State and local  
8                   governments;

9                   (2) academia; and

10                  (3) the private sector.

11           (c) STUDY AND RECOMMENDATIONS.—The Advisory  
12           Group shall—

13                   (1) carry out a study that identifies strategies  
14                   that can be used to increase gender, racial, and eth-  
15                   nic diversity among members of boards of directors  
16                   of issuers; and

17                   (2) not later than 270 days after the date on  
18                   which the Advisory Group is established, submit to  
19                   the Commission, the Committee on Financial Serv-  
20                   ices of the House of Representatives, and the Com-  
21                   mittee on Banking, Housing, and Urban Affairs of  
22                   the Senate a report that—

23                           (A) describes any findings from the study  
24                           conducted under paragraph (1); and

1 (B) makes recommendations regarding  
2 strategies that issuers could use to increase  
3 gender, racial, and ethnic diversity among  
4 board members.

5 (d) ANNUAL REPORT.—Not later than 1 year after  
6 the date on which the Advisory Group submits the report  
7 required under subsection (c)(2), and annually thereafter,  
8 the Commission shall submit to the Committee on Finan-  
9 cial Services of the House of Representatives and the  
10 Committee on Banking, Housing, and Urban Affairs of  
11 the Senate a report that describes the status of gender,  
12 racial, and ethnic diversity among members of the boards  
13 of directors of issuers.

14 (e) PUBLIC AVAILABILITY OF REPORTS.—The Com-  
15 mission shall make all reports of the Advisory Group avail-  
16 able to issuers and the public, including on the website  
17 of the Commission.

18 (f) INAPPLICABILITY OF FEDERAL ADVISORY COM-  
19 MITTEE ACT.—The Federal Advisory Committee Act (5  
20 U.S.C. App.) shall not apply with respect to the Advisory  
21 Group or the activities of the Advisory Group.

