

Union Calendar No. 562

114TH CONGRESS
2^D SESSION

H. R. 4852

[Report No. 114–726]

To direct the Securities and Exchange Commission to revise Regulation D relating to exemptions from registration requirements for certain sales of securities.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2016

Mr. GARRETT introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 6, 2016

Additional sponsor: Mr. MCHENRY

SEPTEMBER 6, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 23, 2016]

A BILL

To direct the Securities and Exchange Commission to revise Regulation D relating to exemptions from registration requirements for certain sales of securities.

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 “Private Placement Im-*
5 *provement Act of 2016”.*

6 **SEC. 2. REVISIONS TO SEC REGULATION D.**

7 *Not later than 45 days following the date of the enact-*
8 *ment of this Act, the Securities and Exchange Commission*
9 *shall revise Regulation D (17 C.F.R. 501 et seq.) in accord-*
10 *ance with the following:*

11 (1) *The Commission shall revise Form D filing*
12 *requirements to require an issuer offering or selling*
13 *securities in reliance on an exemption provided under*
14 *Rule 506 of Regulation D to file with the Commission*
15 *a single notice of sales containing the information re-*
16 *quired by Form D for each new offering of securities*
17 *no earlier than 15 days after the date of the first sale*
18 *of securities in the offering. The Commission shall not*
19 *require such an issuer to file any notice of sales con-*
20 *taining the information required by Form D except*
21 *for the single notice described in the previous sen-*
22 *tence.*

23 (2) *The Commission shall make the information*
24 *contained in each Form D filing available to the secu-*
25 *rities commission (or any agency or office performing*

1 *like functions) of each State and territory of the*
2 *United States and the District of Columbia.*

3 *(3) The Commission shall not condition the*
4 *availability of any exemption for an issuer under*
5 *Rule 506 of Regulation D (17 C.F.R. 230.506) on the*
6 *issuer's or any other person's filing with the Commis-*
7 *sion of a Form D or any similar report.*

8 *(4) The Commission shall not require issuers to*
9 *submit written general solicitation materials to the*
10 *Commission in connection with a Rule 506(c) offer-*
11 *ing, except when the Commission requests such mate-*
12 *rials pursuant to the Commission's authority under*
13 *section 8A or section 20 of the Securities Act of 1933*
14 *(15 U.S.C. 77h-1 or 77t) or section 9, 10(b), 21A,*
15 *21B, or 21C of the Securities Exchange Act of 1934*
16 *(15 U.S.C. 78i, 78j(b), 78u-1, 78u-2, or 78u-3).*

17 *(5) The Commission shall not extend the require-*
18 *ments contained in Rule 156 to private funds.*

19 *(6) The Commission shall revise Rule 501(a) of*
20 *Regulation D to provide that a person who is a*
21 *“knowledgeable employee” of a private fund or the*
22 *fund's investment adviser, as defined in Rule 3c-*
23 *5(a)(4) (17 C.F.R. 270.3c-5(a)(4)), shall be an ac-*
24 *credited investor for purposes of a Rule 506 offering*

- 1 *of a private fund with respect to which the person is*
- 2 *a knowledgeable employee.*

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