

116TH CONGRESS
2D SESSION

S. 3367

To require the Securities and Exchange Commission to establish a Diversity Advisory Group to study and make recommendations on strategies to increase gender, racial, and ethnic diversity among the members of the board of directors of issuers, to amend the Securities Exchange Act of 1934 to require issuers to make disclosures to shareholders with respect to gender, racial, and ethnic diversity, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 2, 2020

Ms. CORTEZ MASTO (for herself, Ms. SMITH, Mr. VAN HOLLEN, Mrs. FEINSTEIN, Ms. DUCKWORTH, Ms. ROSEN, and Ms. KLOBUCHAR) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Securities and Exchange Commission to establish a Diversity Advisory Group to study and make recommendations on strategies to increase gender, racial, and ethnic diversity among the members of the board of directors of issuers, to amend the Securities Exchange Act of 1934 to require issuers to make disclosures to shareholders with respect to gender, racial, and ethnic diversity, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Diversity in Corporate
3 Leadership Act of 2020”.

4 **SEC. 2. DIVERSITY STUDY AND DISCLOSURES.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “Advisory Group” means the Di-
7 versity Advisory Group established under subsection
8 (b);

9 (2) the term “Commission” means the Securi-
10 ties and Exchange Commission; and

11 (3) the term “issuer” has the meaning given
12 the term in section 3 of the Securities Exchange Act
13 of 1934 (15 U.S.C. 78c).

14 (b) DIVERSITY ADVISORY GROUP.—

15 (1) ESTABLISHMENT.—The Commission shall
16 establish a Diversity Advisory Group, which shall be
17 composed of representatives from the Federal Gov-
18 ernment, academia, and the private sector.

19 (2) STUDY AND RECOMMENDATIONS.—The Ad-
20 visory Group shall—

21 (A) carry out a study on strategies to in-
22 crease gender, racial, and ethnic diversity
23 among the members of the board of directors of
24 issuers; and

25 (B) not later than 9 months after the es-
26 tablishment of the Advisory Group, issue a re-

1 port to the Commission, the Committee on
2 Banking, Housing, and Urban Affairs of the
3 Senate, and the Committee on Financial Serv-
4 ices of the House of Representatives containing
5 the findings and determinations made in car-
6 rying out the study under subparagraph (A),
7 along with recommendations to increase gender,
8 racial, and ethnic diversity among the members
9 of the board of directors of issuers.

10 (3) ANNUAL REPORT.—Not later than 1 year
11 after the date on which the Advisory Group issues
12 the report under paragraph (2)(B), and annually
13 thereafter, the Commission shall issue a report to
14 the Committee on Banking, Housing, and Urban Af-
15 fairs of the Senate and the Committee on Financial
16 Services of the House of Representatives on the sta-
17 tus of gender, racial, and ethnic diversity among the
18 members of the board of directors of issuers.

19 (4) PUBLIC AVAILABILITY OF REPORTS.—The
20 Commission shall make all reports of the Advisory
21 Group available to issuers and the public, including
22 on the website of the Commission.

23 (c) DISCLOSURES.—The Securities Exchange Act of
24 1934 (15 U.S.C. 78a et seq.) is amended by inserting after
25 section 14B the following:

1 **“SEC. 14C. DIVERSITY DISCLOSURES.**

2 “The Commission shall, by rule, require each issuer
3 to disclose, in any proxy or consent solicitation material
4 for an annual meeting of the shareholders of the issuer,
5 the gender, racial, and ethnic composition of the board of
6 directors of the issuer and nominees for the board of direc-
7 tors.”.

