

117TH CONGRESS
2D SESSION

S. 5005

To amend the Securities Act of 1933 to require that information required to be disclosed to the Securities and Exchange Commission by issuers be material to investors of those issuers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2022

Mr. ROUNDS (for himself, Ms. LUMMIS, Mr. TILLIS, Mr. HAGERTY, Mr. BOOZMAN, Mr. DAINES, Mr. GRASSLEY, and Mr. SULLIVAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Securities Act of 1933 to require that information required to be disclosed to the Securities and Exchange Commission by issuers be material to investors of those issuers, 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. SHORT TITLE.**

4 This Act may be cited as the “Mandatory Materiality
5 Requirement Act of 2022”.

1 **SEC. 2. LIMITATION ON DISCLOSURE REQUIREMENTS.**

2 (a) SECURITIES ACT OF 1933.—Section 2(b) of the
3 Securities Act of 1933 (15 U.S.C. 77b(b)) is amended—

4 (1) in the subsection heading, by inserting “;
5 LIMITATION ON DISCLOSURE REQUIREMENTS” after
6 “FORMATION”;

7 (2) by striking “Whenever” and inserting the
8 following:

9 “(1) IN GENERAL.—Whenever”; and

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

11 “(2) LIMITATION.—

12 “(A) IN GENERAL.—Whenever pursuant to
13 this title the Commission is engaged in rule-
14 making regarding disclosure obligations of
15 issuers, the Commission may impose a disclo-
16 sure requirement on an issuer only if the Com-
17 mission expressly determines that there is a
18 substantial likelihood that a reasonable investor
19 of the issuer would consider the information
20 disclosed to the Commission under the require-
21 ment to be important with respect to an invest-
22 ment decision regarding the issuer.

23 “(B) APPLICABILITY.—Subparagraph (A)
24 shall not apply with respect to the removal of
25 any disclosure requirement with respect to an
26 issuer.

1 “(C) RULE OF CONSTRUCTION.—For the
 2 purposes of this paragraph, information is im-
 3 portant with respect to an investment decision
 4 made by an investor if there is a substantial
 5 likelihood that the investor would view the fail-
 6 ure to disclose that information as having sig-
 7 nificantly altered the total mix of information
 8 made available to the investor.”.

9 (b) SECURITIES EXCHANGE ACT OF 1934.—Section
 10 3(f) of the Securities Exchange Act of 1934 (15 U.S.C.
 11 78c(f)) is amended—

12 (1) in the subsection heading, by inserting “;
 13 LIMITATION ON DISCLOSURE REQUIREMENTS” after
 14 “FORMATION”;

15 (2) by striking “Whenever” and inserting the
 16 following:

17 “(1) IN GENERAL.—Whenever”; and

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

19 “(2) LIMITATION.—

20 “(A) IN GENERAL.—Whenever pursuant to
 21 this title the Commission is engaged in rule-
 22 making regarding disclosure obligations of
 23 issuers, the Commission may impose a disclo-
 24 sure requirement on an issuer only if the Com-
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