I

118TH CONGRESS
1ST SESSION

H. R. 6783

To protect the investment choices of investors in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 14, 2023

Mr. SESSIONS (for himself and Mr. VICENTE GONZALEZ of Texas) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To protect the investment choices of investors in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Capital Markets Financing and Economic Growth Investments Act of 2023’’.

SEC. 2. TREATMENT OF MONEY MARKET FUNDS UNDER THE INVESTMENT COMPANY ACT OF 1940.

The Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.) is amended by adding at the end the following:

"SEC. 66. MONEY MARKET FUNDS.

''(a) ELECTION TO BE A STABLE VALUE MONEY MARKET FUND.—

''(1) IN GENERAL.—Any open-end investment company (or a separate series thereof) that is a money market fund that relies on section 270.2a–7 of title 17, Code of Federal Regulations, may, in the prospectus included in its registration statement filed under section 8 state that the company has elected to compute the current price per share, for purposes of distribution or redemption and repurchase, of any redeemable security issued by the company by using the amortized cost method of valuation, or the penny-rounding method of pricing, regardless of whether its shareholders are limited to natural persons, if—

''(A) the objective or principal investment strategy of the company is not inconsistent with the generation of income and preservation of capital through investment in short-term, high-quality debt securities;

''(B) the board of directors of the company elects, on behalf of the company, to maintain a stable net asset value per share or stable price per share, by using the amortized cost valuation method, as defined in section 270.2a–7(a) of title 17, Code of Federal Regulations (or successor regulation), or the penny-rounding pricing method, as defined in section 270.2a–7(a) of title 17, Code of Federal Regulations (or successor regulation), and the board of directors of the company has determined, in good faith, that—

"(i) it is in the best interests of the company, and its shareholders, to do so; and

"(ii) the money market fund will continue to use such method or methods only as long as the board of directors believes that the resulting share price fairly reflects the market-based net asset value per share of the company; and

"(C) the company will comply with such quality, maturity, diversification, liquidity, and other requirements, including related procedural and recordkeeping requirements, as the Commission, by rule or regulation or order, may prescribe or has prescribed as necessary or appropriate in the public interest or for the protection of investors to the extent that such requirements and provisions are not inconsistent with this section or with the ability of the company to maintain a stable net asset value per share or stable price per share by using either the amortized cost method or the penny-rounding method of pricing.

"(2) EXEMPTION FROM MANDATORY LIQUIDITY FEE REQUIREMENTS.—Notwithstanding section 270.2a–7 of title 17, Code of Federal Regulations (or successor regulation), no company that makes the election under paragraph (1) shall be subject to the mandatory liquidity fee requirements of section 270.2a–7(c)(2)(ii) of title 17, Code of Federal Regulations (or successor regulation).

"(b) CONTINUING OBLIGATION TO MEET REQUIREMENTS OF THIS TITLE.—A company that makes an election under subsection (a)(1) shall remain subject to the provisions of this title and the rules and regulations of the Commission thereunder that would otherwise apply if those provisions do not conflict with the provisions of this section.".

SEC. 3. PROHIBITION AGAINST MANDATORY PRICING OR FEES FOR A REGISTERED OPEN-END COMPANY.

Section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a–22) is amended by adding at the end the following:

"(h) PROHIBITION AGAINST MANDATORY PRICING OR FEES FOR A REGISTERED OPEN-END COMPANY.—

"(1) IN GENERAL.—The Commission and any securities association registered under section 15A of the Securities Exchange Act of 1934 are prohibited from promulgating, interpreting, or enforcing rules or guidance, or issuing orders of general applicability, that would impose, directly or indirectly, any requirement upon a registered open-end company, for the purpose of accomplishing the ends prescribed in subsection (a), with the effect of requiring—

"(A) adjustment to the company's current net asset value per share;

"(B) calculation and application of differing share prices as between redeeming and purchasing shareholders;

"(C) adoption, calculation, or use of mandatory fees on shareholder transactions or transacting shareholders; or

"(D) adoption or use of any measures economically similar to the foregoing.

"(2) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to prevent a registered open-end company from voluntarily adopting any measure described under subparagraph (A) through (D) of paragraph (1).".

○