
PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 2357) TO DIRECT THE SECURITIES AND EXCHANGE COMMISSION TO REVISE FORM S-3 SO AS TO ADD LISTING AND REGISTRATION OF A CLASS OF COMMON EQUITY SECURITIES ON A NATIONAL SECURITIES EXCHANGE AS AN ADDITIONAL BASIS FOR SATISFYING THE REQUIREMENTS OF GENERAL INSTRUCTION I.B.1. OF SUCH FORM AND TO REMOVE SUCH LISTING AND REGISTRATION AS A REQUIREMENT OF GENERAL INSTRUCTION I.B.6. OF SUCH FORM, AND PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 5424) TO AMEND THE INVESTMENT ADVISERS ACT OF 1940 AND TO DIRECT THE SECURITIES AND EXCHANGE COMMISSION TO AMEND ITS RULES TO MODERNIZE CERTAIN REQUIREMENTS RELATING TO INVESTMENT ADVISERS, AND FOR OTHER PURPOSES

September 6, 2016.—Referred to the House Calendar and ordered to be printed.

MR. SESSIONS, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. __]

The Committee on Rules, having had under consideration House Resolution____, by a record vote of 9 to 2, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2357, the Accelerating Access to Capital Act of 2015, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. The resolution waives all points of order against consideration of the bill. The resolution makes in order as original text for the purpose of amendment an amendment in the nature of a substitute consisting of the text of Rules Committee Print 114-62 and provides that it shall be

considered as read. The resolution waives all points of order against that amendment in the nature of a substitute. The resolution makes in order only those further amendments printed in part A of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. The resolution waives all points of order against the amendments printed in part A of this report. The resolution provides one motion to recommit with or without instructions.

Section 2 of the resolution provides for consideration of H.R. 5424, the Investment Advisers Modernization Act of 2016, under a structured rule. The resolution provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. The resolution waives all points of order against consideration of the bill. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as adopted, and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution makes in order only the further amendment printed in part B of this report, if offered by the Member designated in this report, which shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question. The resolution waives all points of order against the amendment printed in part B of this report. The resolution provides for one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of H.R. 2357, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

The waiver of all points of order against the amendment in the nature of a substitute to H.R. 2357 made in order as original text includes a waiver of clause 7 of rule XVI, which requires that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

Although the resolution waives all points of order against the amendments printed in part A of this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

The waiver of all points of order against consideration of H.R. 5424 includes a waiver of clause 3(e)(1) of rule XIII ("Ramseyer"), requiring a committee report accompanying a bill amending or repealing statutes to show, by typographical device, parts of statute affected. The waiver is provided because the submission provided by the Committee on Financial Services was insufficient to meet the standards established by the rule in its current form. The Committee on Rules continues to work with the House Office of Legislative Counsel and committees to determine the steps necessary to comply with the updated rule.

Although the resolution waives all points of order against provisions in H.R. 5424, as amended, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendment printed in part B of this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee Record Vote No. 204

Motion by Ms. Foxx to report the rule. Adopted: 9-2

Majority Members	Vote	Minority Members	Vote
Ms. Foxx.....	Yea	Ms. Slaughter.....	
Mr. Cole.....	Yea	Mr. McGovern.....	Nay
Mr. Woodall.....	Yea	Mr. Hastings of Florida.....	Nay
Mr. Burgess.....	Yea	Mr. Polis.....	
Mr. Stivers.....	Yea		
Mr. Collins.....	Yea		
Mr. Byrne.....	Yea		
Mr. Newhouse.....	Yea		
Mr. Sessions, Chairman.....	Yea		

**SUMMARY OF THE AMENDMENTS TO H.R. 2357 IN PART A MADE IN
ORDER**

1. DeSantis (FL): Requires companies to publically disclose if they engage in business within Iran or with the Government of Iran. (10 minutes)
2. Hinojosa (TX): Limits unaccredited investor purchasers to 35, and limits the amount they may invest to \$5,000. Issuers of exempted securities must provide updated disclosure documents to purchasers. (10 minutes)

SUMMARY OF THE AMENDMENT TO H.R. 5424 IN PART B MADE IN
ORDER

Foster (IL): Removes provisions related to brochure delivery and the requirement for annual audits at select private funds. (10 minutes)

PART A—TEXT OF AMENDMENTS MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
DESANTIS OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10
MINUTES

2LR

AMENDMENT TO RULES COMMITTEE PRINT 114-

62

OFFERED BY MR. DESANTIS OF FLORIDA

Page 1, line 7, strike "Not later" and insert "(a) IN GENERAL.—Not later".

Page 2, after line 6, insert the following:

- 1 (b) ISSUERS CONDUCTING BUSINESS ACTIVITIES IN
2 IRAN.—Not later than 45 days after the date of the enact-
3 ment of this Act, the Securities and Exchange Commission
4 shall require any issuer that registers its securities under
5 the Securities Act of 1933 (15 U.S.C. 77a et seq.) to indi-
6 cate on the registration statement whether or not such
7 issuer is an issuer that—
8 (1) does business in Iran; or
9 (2) engages in transactions with—
10 (A) the Government of Iran; or
11 (B) any entity that is organized under the
12 laws of Iran.



2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HINOJOSA OF TEXAS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

**AMENDMENT TO
RULES COMMITTEE PRINT 114-62
OFFERED BY MR. HINOJOSA OF TEXAS**

Page 3, strike lines 4 through 10, and insert the following:

1 “(B) LIMITATIONS ON NON-ACCREDITED
2 INVESTORS.—With respect to non-accredited in-
3 vestors—
4 “(i) there are no more than 35, or the
5 issuer reasonably believes that there are no
6 more than 35, non-accredited investor pur-
7 chasers of securities from the issuer that
8 are sold in reliance on the exemption pro-
9 vided under subsection (a)(8) during the
10 12-month period preceding such trans-
11 action; and
12 “(ii) the amount that any non-accred-
13 ited investor purchases of such securities
14 does not exceed \$5,000.”.

Page 5, line 8, strike the quotation marks and following period and insert after such line the following:

15 “(3) DISCLOSURE REQUIREMENT.—

1 “(A) IN GENERAL.—With respect to any
2 actual or potential purchasers of a security sold
3 in reliance on the exemption provided under
4 subsection (a)(8), the issuer of such security
5 shall provide such purchasers with a disclosure
6 document containing the material elements of
7 the offering.

8 “(B) UPDATE REQUIREMENT.—An issuer
9 shall update the disclosure document described
10 under subparagraph (A), and provide such up-
11 dated disclosure document to purchasers, if a
12 material change occurs before the purchase is
13 completed or the offering ends.

14 “(C) TREATMENT OF FINANCIAL STATE-
15 MENTS OR PROJECTIONS.—An issuer shall not
16 be required to provide financial statements or
17 projections in the disclosure document described
18 under subparagraph (A), but, if the issuer pro-
19 vides any financial statement or projection to
20 any actual or potential purchaser, the issuer
21 shall provide such financial statement or projec-
22 tion to all actual or potential purchasers.

23 “(4) TREATMENT AS RESTRICTED SECURI-
24 TIES.—Securities sold in reliance on the exemption
25 under subsection (a)(8) shall be deemed to be re-

1 stricted securities within the meaning of Rule 144
2 (17 C.F.R. 230.144).

3 “(5) FORM D REQUIREMENT.—The Commission
4 shall require the issuer of any security sold in reli-
5 ance on the exemption provided under subsection
6 (a)(8) to comply with the filing requirements for
7 Form D.”.



PART B—TEXT OF AMENDMENT MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE
FOSTER OF ILLINOIS OR HIS DESIGNEE, DEBATABLE FOR 10
MINUTES

**AMENDMENT TO H.R. 5424, AS REPORTED
OFFERED BY MR. FOSTER OF ILLINOIS**

Page 6, strike line 14 and all that follows through page 7, line 5.

Page 7, strike line 18 and all that follows through "Consistent with" on page 9, line 16, and insert "Regulations, consistent with".

Page 9, beginning on line 20, strike "the Commission shall,".

Page 9, line 23, insert ", so as to" after "such section".



House Calendar No. _____

114TH CONGRESS
2^D SESSION

H. RES. _____

Report No. 114-_____

Providing for consideration of the bill (H.R. 2357) to direct the Securities and Exchange Commission to revise Form S-3 so as to add listing and registration of a class of common equity securities on a national securities exchange as an additional basis for satisfying the requirements of General Instruction I.B.1. of such form and to remove such listing and registration as a requirement of General Instruction I.B.6. of such form, and providing for consideration of the bill (H.R. 5424) to amend the Investment Advisers Act of 1940 and to direct the Securities and Exchange Commission to amend its rules to modernize certain requirements relating to investment advisers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2016

Mr. SESSIONS, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

Providing for consideration of the bill (H.R. 2357) to direct the Securities and Exchange Commission to revise Form S-3 so as to add listing and registration of a class of common equity securities on a national securities exchange as an additional basis for satisfying the requirements of General Instruction I.B.1. of such form and to remove such listing and registration as a requirement

of General Instruction I.B.6. of such form, and providing for consideration of the bill (H.R. 5424) to amend the Investment Advisers Act of 1940 and to direct the Securities and Exchange Commission to amend its rules to modernize certain requirements relating to investment advisers, and for other purposes.

1 *Resolved*, That at any time after adoption of this reso-
2 lution the Speaker may, pursuant to clause 2(b) of rule
3 XVIII, declare the House resolved into the Committee of
4 the Whole House on the state of the Union for consider-
5 ation of the bill (H.R. 2357) to direct the Securities and
6 Exchange Commission to revise Form S-3 so as to add
7 listing and registration of a class of common equity securi-
8 ties on a national securities exchange as an additional
9 basis for satisfying the requirements of General Instruc-
10 tion I.B.1. of such form and to remove such listing and
11 registration as a requirement of General Instruction I.B.6.
12 of such form. The first reading of the bill shall be dis-
13 pensed with. All points of order against consideration of
14 the bill are waived. General debate shall be confined to
15 the bill and amendments specified in this section and shall
16 not exceed one hour equally divided and controlled by the
17 chair and ranking minority member of the Committee on
18 Financial Services. After general debate the bill shall be
19 considered for amendment under the five-minute rule. It
20 shall be in order to consider as an original bill for the

1 purpose of amendment under the five-minute rule an
2 amendment in the nature of a substitute consisting of the
3 text of Rules Committee Print 114-62. That amendment
4 in the nature of a substitute shall be considered as read.
5 All points of order against that amendment in the nature
6 of a substitute are waived. No amendment to that amend-
7 ment in the nature of a substitute shall be in order except
8 those printed in part A of the report of the Committee
9 on Rules accompanying this resolution. Each such amend-
10 ment may be offered only in the order printed in the re-
11 port, may be offered only by a Member designated in the
12 report, shall be considered as read, shall be debatable for
13 the time specified in the report equally divided and con-
14 trolled by the proponent and an opponent, shall not be
15 subject to amendment, and shall not be subject to a de-
16 mand for division of the question in the House or in the
17 Committee of the Whole. All points of order against such
18 amendments are waived. At the conclusion of consider-
19 ation of the bill for amendment the Committee shall rise
20 and report the bill to the House with such amendments
21 as may have been adopted. Any Member may demand a
22 separate vote in the House on any amendment adopted
23 in the Committee of the Whole to the bill or to the amend-
24 ment in the nature of a substitute made in order as origi-
25 nal text. The previous question shall be considered as or-

1 dered on the bill and amendments thereto to final passage
2 without intervening motion except one motion to recommit
3 with or without instructions.

4 SEC. 2. Upon adoption of this resolution it shall be
5 in order to consider in the House the bill (H.R. 5424)
6 to amend the Investment Advisers Act of 1940 and to di-
7 rect the Securities and Exchange Commission to amend
8 its rules to modernize certain requirements relating to in-
9 vestment advisers, and for other purposes. All points of
10 order against consideration of the bill are waived. The
11 amendment in the nature of a substitute recommended by
12 the Committee on Financial Services now printed in the
13 bill shall be considered as adopted. The bill, as amended,
14 shall be considered as read. All points of order against
15 provisions in the bill, as amended, are waived. The pre-
16 vious question shall be considered as ordered on the bill,
17 as amended, and on any further amendment thereto, to
18 final passage without intervening motion except: (1) one
19 hour of debate equally divided and controlled by the chair
20 and ranking minority member of the Committee on Finan-
21 cial Services; (2) the further amendment printed in part
22 B of the report of the Committee on Rules accompanying
23 this resolution, if offered by the Member designated in the
24 report, which shall be in order without intervention of any
25 point of order, shall be considered as read, shall be sepa-

1 rately debatable for the time specified in the report equally
2 divided and controlled by the proponent and an opponent,
3 and shall not be subject to a demand for a division of the
4 question; and (3) one motion to recommit with or without
5 instructions.