

**[Discussion Draft]**  
**AMENDMENT TO**  
**RULES COMMITTEE PRINT 119–33**  
**OFFERED BY MR. BEYER OF VIRGINIA**

At the end of subtitle D of title X, insert the following:

1 **SEC. 10\_\_ . PROHIBITION ON EQUITY INVESTMENTS FOR**  
2 **ENTITIES IN WHICH CERTAIN SENIOR GOV-**  
3 **ERNMENT OFFICIALS HOLD A SIGNIFICANT**  
4 **INTEREST.**

5 Subsection (e) of section 149 of title 10, United  
6 States Code, is amended—

7 (1) in paragraphs (9) through (12), by striking  
8 the paragraph headings; and

9 (2) by inserting after paragraph (12) the fol-  
10 lowing new paragraph:

11 “(13)(A) Notwithstanding any other provision of this  
12 section or any other provision of law, a covered entity is  
13 not eligible for an equity investment under this subsection.

14 “(B) In this paragraph:

15 “(i) The term ‘covered entity’ means an entity  
16 in which a covered individual directly or indirectly  
17 holds a significant interest. For the purpose of de-

1       termining whether an entity is a covered entity, if  
2       securities of the entity are owned, controlled, or held  
3       by 2 or more individuals who are related as de-  
4       scribed in clause (ii), such securities shall be aggre-  
5       gated.

6               “(ii) The term ‘covered individual’ means—

7                       “(I) the President, the Vice President, or  
8                       any other individual designated by the Presi-  
9                       dent as having Cabinet-level status;

10                      “(II) the spouse, child, son-in-law, or  
11                      daughter-in-law of an individual described in  
12                      subclause (I); or

13                      “(III) any officer or employee of the execu-  
14                      tive branch, including a special Government em-  
15                      ployee (as defined in section 202 of title 18),  
16                      who participates in the consideration, negotia-  
17                      tion, approval, or administration of equity in-  
18                      vestments under this subsection.

19               “(iii) The term ‘equity interest’ means—

20                      “(I) a share in an entity, without regard to  
21                      whether the share is—

22                               “(aa) transferable; or

23                               “(bb) classified as stock or anything  
24                      similar;

1           “(II) a capital or profit interest in a lim-  
2           ited liability company or partnership;

3           “(III) a capital or profit interest in a ven-  
4           ture capital fund, private equity fund, fund of  
5           funds, or other pooled investment fund; or

6           “(IV) a warrant or right (other than a  
7           right to convert) to purchase, sell, or subscribe  
8           to a share or interest described in subclause (I),  
9           (II), or (III).

10          “(iv) The term ‘de minimis interest’ means an  
11          equity interest in an entity that—

12                 “(I) does not exceed the threshold specified  
13                 in section 2640.202(a)(2) of title 5, Code of  
14                 Federal Regulations (or a successor regulation);

15                 “(II) is purchased and owned as part of an  
16                 Excepted Investment Fund (as defined in sec-  
17                 tion 988(c)(2) of this title) or a mutual fund;  
18                 or

19                 “(III) is purchased and owned as part of  
20                 a widely diversified employee benefit plan or a  
21                 pension established and maintained by a Fed-  
22                 eral, State, or local government.

23                 “(v) The term ‘significant interest’, with respect  
24                 to an entity, means owning, controlling, or holding

- 1 any equity interest, other than a de minimis interest,
- 2 in the entity.”.

