

**AMENDMENT TO RULES COMMITTEE PRINT**

**117-31**

**OFFERED BY MR. SHERMAN OF CALIFORNIA**

At the end of division G insert the following:

1 **TITLE XI—DISCLOSURE RE-**  
2 **QUIREMENTS RELATING TO**  
3 **CERTAIN EXEMPTED TRANS-**  
4 **ACTIONS**

5 **SEC. 61101. IN GENERAL.**

6 (a) AMENDMENT.—The Securities Exchange Act of  
7 1934 is amended by inserting after section 13A (15 U.S.C.  
8 78m-1) the following:

9 **“SEC. 13B. DISCLOSURE REQUIREMENTS RELATING TO**  
10 **CERTAIN EXEMPTED TRANSACTIONS.**

11 “(a) IN GENERAL.—Notwithstanding any other pro-  
12 vision of law, in the case of an issuer that conducts a cov-  
13 ered exempted transaction, such issuer shall provide to the  
14 Commission, at such time and in such manner as the Com-  
15 mission may prescribe, the following:

16 “(1) The identity of the issuer.

17 “(2) The place of incorporation of the issuer.

18 “(3) The amount of the issuance and the net  
19 proceeds to the issuer.

1           “(4) The principal beneficial owners of the  
2 issuer.

3           “(5) The intended use of the proceeds from  
4 such issuance, including—

5                 “(A) each country in which the issuer in-  
6 tends to invest such proceeds; and

7                 “(B) each industry in which the issuer in-  
8 tends to invest such proceeds.

9           “(6) The exemption the issuer relies on with re-  
10 spect to such covered exempted transaction.

11         “(b) **AUTHORITY TO REVISE AND PROMULGATE**  
12 **RULES, REGULATIONS, AND FORMS.**—The Commission  
13 shall, for the protection of investors and fair and orderly  
14 markets, revise and promulgate such rules, regulations,  
15 and forms as may be necessary to carry out this section.  
16 The Commission shall also issue rules to set conditions  
17 for future use of the exemptions for those issuers who do  
18 not comply with the disclosure requirements of this sec-  
19 tion.

20         “(c) **COVERED EXEMPTED TRANSACTION.**—The  
21 term ‘covered exempted transaction’ means an issuance of  
22 a security that is exempt from registration under section  
23 5 of the Securities Act of 1933 (15 U.S.C. 77e) that—

24                 “(1) is structured or intended to comply with—

1           “(A) Rule 506(b) of Regulation D, as pro-  
2           mulgated by the Commission;

3           “(B) Regulation S, as promulgated by the  
4           Commission; or

5           “(C) Rule 144A, as promulgated by the  
6           Commission; and

7           “(2) either—

8           “(A) has an issuance equal to \$25,000,000  
9           or greater; or

10           “(B) with respect to any 1-year period,  
11           has, together with all covered exempted trans-  
12           actions in that period, an aggregate issuance of  
13           \$50,000,000 or greater.”.

14           (b) APPLICABILITY.—The amendment made by sub-  
15           section (a) shall apply with respect to issuers of covered  
16           exempt transactions on the date that is 270 days after  
17           the date of the enactment of this Act.

18           (c) REPORT.—The Commission shall, each quarter,  
19           submit to the Committee of Financial Services of the  
20           House of Representatives and Committee of Banking,  
21           Housing, and Urban Affairs of the Senate a report that  
22           includes all information submitted by an issuer under sec-  
23           tion 13B of the Securities Exchange Act of 1934, as added  
24           by subsection (a), during the previous quarter if such  
25           issuer—

1 (1) is—

2 (A) incorporated in the People’s Republic  
3 of China; or

4 (B) incorporated outside the People’s Re-  
5 public of China and has significant entities  
6 within the People’s Republic of China being  
7 consolidated with the issuer where the assets of  
8 those entities within the People’s Republic of  
9 China constitute the majority of assets of the  
10 consolidated entity; or

11 (2) discloses in a filing made pursuant to sec-  
12 tion 13B of the Securities Exchange Act of 1934, as  
13 added by subsection (a), that the issuer intends to  
14 invest the proceeds from issuance of an exempted  
15 transaction in the People’s Republic of China.

