

**AMENDMENT TO RULES COMMITTEE PRINT**

**119–15**

**OFFERED BY MS. WATERS OF CALIFORNIA**

In title III, add at the end the following:

1 **SEC. 308. INVESTOR OPPORTUNITY AND ACCESS TO CAP-**

2 **ITAL THROUGH TRANSPARENCY.**

3 (a) ADDITIONAL REQUIREMENT FOR ISSUERS RELY-  
4 ING ON REGULATION D.—

5 (1) FILLING OF FORM D.—Not later than 1  
6 year after the date of the enactment of this Act, the  
7 Securities and Exchange Commission shall amend  
8 sections 230.503 through 230.508 of title 17, Code  
9 of Federal Regulations (in this section referred to as  
10 “Regulation D”) to require any issuer that offers se-  
11 curities in reliance on section 230.506(c) of title 17,  
12 Code of Federal Regulations (in this section referred  
13 to as “Rule 506(c)”), and has not previously filed a  
14 Form D under section 239.500 of title 17, Code of  
15 Regulations, for the offering to file an Advance  
16 Form D with the Commission not later than 15 cal-  
17 endar days before the first use of general solicitation  
18 or general advertising for the offering.

1           (2) CONTENTS OF ADVANCE FORM D.—In  
2           amending Regulation D pursuant to paragraph (1),  
3           the Commission shall—

4                   (A) determine the information needed from  
5                   each issuer in each Advance Form D to allow  
6                   the Commission to understand the overall mar-  
7                   ketplace for securities offerings in reliance on  
8                   Rule 506(c);

9                   (B) require issuers to include in each Ad-  
10                  vance Form D—

11                           (i) any information the Commission  
12                           determines is necessary pursuant to sub-  
13                           paragraph (A);

14                           (ii) the issuer's identity;

15                           (iii) the issuer's principal place of  
16                           business and contact information;

17                           (iv) a means of verifying the accuracy  
18                           of the issuer's identifying and contact in-  
19                           formation, such as a link to the issuer's  
20                           registration with a Secretary of State,  
21                           BrokerCheck, or such other form of  
22                           verification as the Commission determines  
23                           appropriate;

24                           (v) related persons, including control  
25                           persons, promoters, general partners,

1 placement agents, portals and platforms,  
2 verification providers, auditors, administra-  
3 tors, custodians, valuation agents, and all  
4 recipients of sales compensation;  
5 (vi) industry group;  
6 (vii) Federal exemptions and exclu-  
7 sions claimed;  
8 (viii) type of filing;  
9 (ix) each type of securities offered, to  
10 the extent such information is known at  
11 the time of the filing of the Advance Form  
12 D;  
13 (x) business combination transaction;  
14 (xi) sales compensation, to the extent  
15 such information is known at the time of  
16 the filing of the Advance Form D;  
17 (xii) use of proceeds; and  
18 (xiii) such other information as the  
19 Commission may require;  
20 (C) specify that the failure of an issuer  
21 who offers securities in reliance on Rule 506(c)  
22 and has not previously filed a Form D for the  
23 offering to file an Advance Form D with the  
24 Commission shall result in loss of the exemption

1 from registration for the offering for which the  
2 issuer failed to file the Advance Form D; and  
3 (D) specify that the issuer shall certify  
4 that the information stated on the Advance  
5 Form D is truthful and accurate.

6 (b) AMENDMENTS TO FORM D.—

7 (1) FILING OF AN AMENDED FORM D.—Not  
8 later than 1 year after the date of the enactment of  
9 this Act, the Commission shall amend sections  
10 230.500 and 230.503 of title 17, Code of Federal  
11 Regulations, to—

12 (A) require an issuer to file an amendment  
13 to a previously filed notice for an offering—

14 (i) to provide the information required  
15 by Form D for each new offering of securi-  
16 ties in reliance on Rule 506(c) not later  
17 than 15 calendar days after the first sale  
18 of securities in the offering;

19 (ii) to correct a material mistake of  
20 fact or error in the previously filed notice,  
21 as soon as practicable after discovery of  
22 the mistake or error;

23 (iii) to reflect a change in the infor-  
24 mation provided in the previously filed no-  
25 tice, other than —

1 (I) an increase or decrease of less  
2 than 5 percent in the amount sold;

3 (II) a change in the minimum in-  
4 vestment amount of less than 10 per-  
5 cent; or

6 (III) a change to issuer contact  
7 information, which shall be updated in  
8 the next annual amendment; and

9 (iv) annually, on or before the date  
10 that is 1 year after the date of filing of the  
11 most recent previously filed notice, if the  
12 offering is continuing at that time;

13 (B) specify that the failure of an issuer to  
14 file an amendment to a previously filed notice  
15 for an offering pursuant to subparagraph (A)  
16 with the Commission shall result in the loss of  
17 the exemption from registration for the offering  
18 for which the issuer failed to file an amendment  
19 to the previously filed notice for an offering  
20 pursuant to subparagraph (A); and

21 (C) specify that an issuer shall certify that  
22 the information stated on an amended Form D  
23 is truthful and accurate.

24 (2) CLOSING AMENDMENTS.—

1 (A) IN GENERAL.—Not later than 1 year  
2 after the date of the enactment of this Act, the  
3 Commission shall amend Regulation D to re-  
4 quire any issuer who offers securities in reliance  
5 on Rule 506(c) to, not later than 30 calendar  
6 days after the termination of such offering, file  
7 a closing amendment to Form D with the Com-  
8 mission, unless a previously filed Form D  
9 amendment for such issuer with respect to the  
10 same offering includes the information that  
11 would have been disclosed in the amendment  
12 following termination of such offering and such  
13 previously filed amendment indicates that it is  
14 the closing amendment to Form D for the offer-  
15 ing.

16 (B) CONTENTS OF AMENDMENT TO REGU-  
17 LATION D.—In amending Regulation D pursu-  
18 ant to subparagraph (A), the Commission  
19 shall—

20 (i) define the term “termination of an  
21 offering” as the Commission determines  
22 appropriate; and

23 (ii) specify that the failure of an  
24 issuer to file a closing amendment to Form  
25 D with the Commission shall result in loss

1 of the exemption from registration for the  
2 offering for which the issuer failed to file  
3 the closing statement. An offering for  
4 which the exemption is lost under this sec-  
5 tion shall be deemed a sale in violation of  
6 section 5 of the Securities Act, and each  
7 purchaser shall have a right of rescission  
8 under section 12(a), without prejudice to  
9 Commission enforcement.

