Committee on Financial Services

Title I – Accelerating Access to Capital

Title I of the Accelerating Access to Capital Act would amend the Securities and Exchange Commission's (SEC's) Form S-3 registration statement (a simplified registration form for companies that have met prior reporting requirements) for smaller reporting companies that have a class of common equity securities listed on a national securities exchange. By amending the Form S-3, the legislation would allow companies to register primary securities offerings exceeding one-third of the aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant. Title I would also allow smaller reporting companies without a class of common equity securities listed on a national securities exchange to register primary securities offerings up to one-third of their public float.

Title II – Micro Offering Safe Harbor

Title II of the Accelerating Access to Capital Act would amend the Securities Act of 1933 (the Act) to exempt certain micro-offerings from the Act's registration requirements.

Title II would provide a safe-harbor for small businesses making a non-public securities offering if all of the following requirements are met:

- Each purchaser has a substantive pre-existing relationship with an officer, director or shareholder with 10 percent or more of the shares of the issuer;
- The issuer reasonably believes that there are no more than 35 purchasers of securities from the issuer that are sold in reliance on the exemption during the 12-month period preceding the transaction; and
- The aggregate amount of all securities sold by the issuer does not exceed $500,000 over a 12-month period.

Additionally, Title II would prohibit a bad actor from participating in a micro-offering.

Title III – Private Placement Improvement

Title III of the Accelerating Access to Capital Act would direct the SEC to revise Regulation D, relating to exemptions from registration requirements for certain sales of securities, in six prescribed ways:

- Eliminate the requirement to file a Form D as a prerequisite to gaining Rule 506's safe harbor;
- Require the SEC to notify states' securities commissions of the information contained in the Form Ds filed on EDGAR;
- Prohibit the SEC from conditioning the availability of an exemption pursuant to Rule 506 of Regulation D on the issuer's filing with the SEC a Form D;

- Prohibit the SEC from requiring issuers conducting Rule 506(c) offerings to file its general solicitation materials (but not prohibiting the SEC from requesting such materials in certain situations);
- Exempt private funds from the requirements of Rule 156; and
- Revise the definition of "accredited investor" in Rule 501(c) to include "knowledgeable employees" of private funds for Rule 506 purposes with respect to an offering of the private fund.