

HR 6380

Crowdfunding Amendments Act

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jul 16, 2018

Current Status: Referred to the House Committee on Financial Services.

Latest Action: Referred to the House Committee on Financial Services. (Jul 16, 2018)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/6380>

Sponsor

Name: Rep. McHenry, Patrick T. [R-NC-10]

Party: Republican • **State:** NC • **Chamber:** House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Waters, Maxine [D-CA-43]	D · CA		Jul 16, 2018

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Jul 16, 2018

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
115 S 488	Related bill	Jul 18, 2018: Message on House action received in Senate and at desk: House amendments to Senate bill.
115 S 3213	Identical bill	Jul 16, 2018: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 1031	Related bill	May 3, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Crowdfunding Amendments Act

This bill amends the Securities Act of 1933 to allow a crowdfunding issuer to sell shares through a crowdfunding vehicle. (Crowdfunding is a method of capital formation in which groups of people pool money to invest in a company or to support an effort to accomplish a specific goal.)

A "crowdfunding vehicle" is defined as a company that:

- has purposes limited to acquiring, holding, and disposing only one class of crowdfunding securities issued by a single company;
- receives no compensation for doing so; and
- meets other specified requirements, including those related to reporting obligations and the use of investment advisers.

The bill amends the Investment Advisers Act of 1940 to provide for the registration of crowdfunding vehicle advisers.

The bill amends the Securities Exchange Act of 1934 to revise the conditions upon which the Securities and Exchange Commission (SEC) shall exempt securities issued in crowdfunding transactions from registration requirements. Under current law, holders of crowdfunded shares do not count toward the shareholder threshold beyond which an issuer is required to register its securities with the SEC, provided that the issuer: (1) is current in its annual reporting obligations, (2) retains the services of a registered transfer agent, and (3) has less than \$25 million in assets. The bill maintains this exemption but alters the conditions upon which it applies. Specifically, holders of crowdfunded shares shall not count toward the shareholder threshold if the issuer has: (1) a public float of less than \$75 million, or (2) a public float of \$0 and annual revenues of less than \$50 million.

Actions Timeline

- **Jul 16, 2018:** Introduced in House
- **Jul 16, 2018:** Referred to the House Committee on Financial Services.