

117TH CONGRESS
2D SESSION

H. R. 9488

To amend the Securities Exchange Act of 1934 to require proxy voting advice businesses to disclose certain information, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2022

Mr. DONALDS introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require proxy voting advice businesses to disclose certain information, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Proxy Advice Dislo-
5 sure Act”.

6 **SEC. 2. PROXY VOTING ADVICE BUSINESS DISCLOSURE RE-**
7 **QUIREMENTS.**

8 Section 14 of the Securities Exchange Act of 1934
9 (15 U.S.C. 78n) is amended by adding at the end the fol-
10 lowing:

1 “(k) PROXY VOTING ADVICE BUSINESS DISCLOSURE
2 REQUIREMENTS.—

3 “(1) IN GENERAL.—A proxy voting advice busi-
4 ness that makes proxy voting advice available to a
5 security holder shall adopt and make publicly avail-
6 able written policies and procedures reasonably de-
7 signed to ensure that—

8 “(A) an issuer that is the subject of proxy
9 voting advice has such advice made available to
10 the issuer not later than the time when such
11 advice is disseminated to the security holder;
12 and

13 “(B) the security holder is provided with a
14 mechanism by which the security holder can
15 reasonably be expected to become aware of any
16 written statements regarding such proxy voting
17 advice by the issuer that is the subject of such
18 advice, in a timely manner before the applicable
19 meeting, vote, consent, or authorization.

20 “(2) FAILURE TO DISCLOSE MATERIAL INFOR-
21 MATION.—It shall be unlawful for a proxy voting ad-
22 vice business, in providing proxy voting advice to a
23 security holder, to fail to disclose material informa-
24 tion regarding the proxy voting advice, including in-
25 formation regarding the methodology, sources of in-

1 formation, or conflicts of interest of such proxy vot-
2 ing advice business.

3 “(3) DEFINITIONS.—In this subsection:

4 “(A) PROXY VOTING ADVICE.—With re-
5 spect to a security of an issuer, the term ‘proxy
6 voting advice’ means providing a recommenda-
7 tion to a security holder on a specific matter of
8 which the issuer has requested security holder
9 approval, vote, or consent.

10 “(B) PROXY VOTING ADVICE BUSINESS.—
11 The term ‘proxy voting advice business’ means
12 a person that—

13 “(i) holds itself out as a provider for
14 proxy voting advice separately from other
15 forms of investment advice; and

16 “(ii) sells proxy voting advice for a
17 fee.”.

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