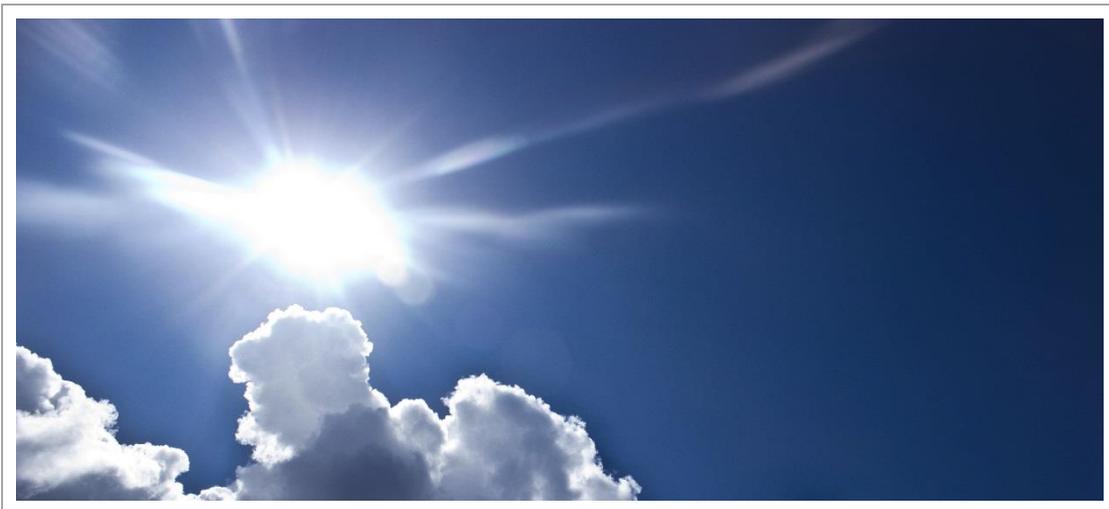


NASAA's Legislative Priorities for the 115th Congress

Released March 2, 2017



ADVANCING A LEGACY OF INVESTOR PROTECTION

Formed in 1919, NASAA is the association of state and provincial securities regulators. Our members are responsible for enforcing laws meant to protect investors and provide a regulatory framework for responsible capital formation. On a biannual basis, NASAA makes recommendations to Congress regarding ways to strengthen investor protection and facilitate healthy capital formation.

1. Preserve and Promote Protections for Retail Investors

Provide for a fiduciary standard for broker-dealers consistent with the standard applicable to investment advisers. All financial services professionals should act in the best interests of clients. Establishing a fiduciary duty standard governing the conduct of broker-dealers and their agents is crucial for the protection of investors and to enhance investor confidence in the securities markets.

Ensure regulators' independence and ability to take timely action. Imposing unduly complex and overly burdensome requirements on agency rulemaking through legislation impedes the ability of regulators to address problems in a timely manner. Any such delay could threaten the well-being of American investors and the integrity of U.S. securities markets.

Maintain federal rules that disqualify felons and other "bad actors" from private offerings. Congress should not take any steps to weaken provisions of current law that help keep fraud out of the private placement markets, and should explore initiating reforms to improve oversight of the private placement market, including Regulation D, Rule 506 offerings.

2. Strengthen Laws to Prevent Financial Exploitation of America's Growing Senior Population

Enact the bipartisan SeniorSafe Act. The SeniorSafe Act will better protect people aged 65 and over from financial exploitation by increasing the likelihood it will be identified by financial services professionals and reported to regulators, Adult Protective Services agencies, and law enforcement authorities.

Establish a federal grant program to support state efforts to protect vulnerable older Americans. A federal grant program would bolster senior investor protection efforts already underway in many states by facilitating the hiring and training of additional staff to investigate and prosecute cases of exploitation, and by supporting state efforts to partner with financial services providers and others who may be well-positioned to detect exploitation.

Direct the Government Accountability Office (GAO) to study the economic cost of senior financial exploitation. Congress should direct the GAO to initiate a comprehensive study to understand and quantify the economic costs and overall impact of senior financial exploitation.

3. Protect the Integrity of Securities Markets

Support a strong examination program for federally registered investment advisers.

Congress should provide the SEC with resources and authority to improve oversight of federally registered investment advisers.

Preserve important investor protections enacted in response to lessons of the financial crisis.

Investors and securities markets continue to benefit from common-sense reforms enacted in the wake of the financial crisis, including policies that increase transparency regarding the activity of advisers to private funds, enhance systemic stability, minimize conflicts of interests, and hold bad-actors accountable.

Modernize privacy laws without undermining legitimate law enforcement interests.

State securities regulators appreciate bipartisan interest in modernizing privacy protections relating to information stored on internet service providers, but urge Congress not to inadvertently or unjustifiably curtail crucial investigatory authorities used by state regulators and other civil law enforcement agencies.

4. Enhance Collaboration Between Securities Regulators

Require that at least one member of the five-member SEC Commission have experience serving as a state securities regulator.

The appointment of even one SEC Commissioner with significant experience as a state securities regulator would dramatically improve coordination between state and federal securities authorities and bring a perspective informed by experiences from Main Street America where investor protection is personal and capital formation means real jobs.

Encourage federal regulators to share pertinent information with state regulators regarding shared priorities.

The SEC and states must take steps to share, collaborate and protect valuable information affecting our securities markets. As Congress considers or creates new structures to allow information sharing regarding cybersecurity and other matters among law enforcement agencies and regulators, we strongly urge the inclusion of state securities, insurance, and banking regulators in those discussions and in any new framework.

5. Maintain State Authority to Act as Laboratories to Grow Jobs Through Capital Formation

Empower states to respond to the needs of small businesses and investors. State securities regulators strongly share Congress’s desire to continue to improve access to capital for small and emerging businesses while protecting investors. Congress should continue to encourage federal-state collaborations aimed at helping small businesses responsibly access capital from investors and customers in their regions and localities.

Prioritize the protection of retail investors in developing any new policies that would expand the private securities markets. As it considers modernizing the accredited investor definition, Congress should reaffirm that the definition is intended to provide a meaningful carve-out from the protections afforded by securities registration for offerings made to investors with the financial means and sophistication to evaluate for themselves an offering’s risks.

Learn More About NASAA



The North American Securities Administrators Association, Inc. (NASAA) is the oldest international organization devoted to investor protection. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico and the U.S. Virgin Islands, and its mission is to serve as the voice of securities agencies responsible for grassroots investor protection and responsible capital formation. The Association’s members have carried out this mission for over a century through various administrations in Washington, D.C.

- Collectively and individually, state securities regulators enforce state securities laws by investigating suspected investment fraud, and, where warranted, pursuing enforcement actions.
- State securities regulators ensure honest financial markets by licensing registrants – both firms and investment professionals – and conducting ongoing compliance inspections and examinations.

State securities regulators also work with issuers to ensure that securities offerings include legally required disclosures, resulting in a transparent and fluid securities market.

For more information about NASAA, visit www.nasaa.org.

Contact Us

For more information about NASAA's legislative priorities, contact:

Michael Canning | Director of Policy

202-737-0900 | mc@nasaa.org

Anya Coverman | Deputy Director of Policy & Associate General Counsel

202-737-0900 | ac@nasaa.org