

(h) Committee findings

Nothing in this section shall require the Commission to agree to or act upon any finding or recommendation of the Committee.

(i) Federal Advisory Committee Act

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Committee and its activities.

(j) Authorization of appropriations

There is authorized to be appropriated to the Commission such sums as are necessary to carry out this section.

(June 6, 1934, ch. 404, title I, § 39, as added Pub. L. 111-203, title IX, § 911, July 21, 2010, 124 Stat. 1822.)

REFERENCES IN TEXT

The Federal Advisory Committee Act, referred to in subsec. (i), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, which is set out in the Appendix to Title 5, Government Organization and Employees.

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of Title 12, Banks and Banking.

§ 78qq. Small Business Capital Formation Advisory Committee**(a) Establishment and purpose****(1) Establishment**

There is established within the Commission the Small Business Capital Formation Advisory Committee (hereafter in this section referred to as the “Committee”).

(2) Functions**(A) In general**

The Committee shall provide the Commission with advice on the Commission’s rules, regulations, and policies with regard to the Commission’s mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation, as such rules, regulations, and policies relate to—

(i) capital raising by emerging, privately held small businesses (“emerging companies”) and publicly traded companies with less than \$250,000,000 in public market capitalization (“smaller public companies”) through securities offerings, including private and limited offerings and initial and other public offerings;

(ii) trading in the securities of emerging companies and smaller public companies; and

(iii) public reporting and corporate governance requirements of emerging companies and smaller public companies.

(B) Limitation

The Committee shall not provide any advice with respect to any policies, practices, actions, or decisions concerning the Commission’s enforcement program.

(b) Membership**(1) In general**

The members of the Committee shall be—

(A) the Advocate for Small Business Capital Formation;

(B) not fewer than 10, and not more than 20, members appointed by the Commission, from among individuals—

(i) who represent—

(I) emerging companies engaging in private and limited securities offerings or considering initial public offerings (“IPO”) (including the companies’ officers and directors);

(II) the professional advisors of such companies (including attorneys, accountants, investment bankers, and financial advisors); and

(III) the investors in such companies (including angel investors, venture capital funds, and family offices);

(ii) who are officers or directors of minority-owned small businesses or women-owned small businesses;

(iii) who represent—

(I) smaller public companies (including the companies’ officers and directors);

(II) the professional advisors of such companies (including attorneys, auditors, underwriters, and financial advisors); and

(III) the pre-IPO and post-IPO investors in such companies (both institutional, such as venture capital funds, and individual, such as angel investors); and

(iv) who represent participants in the marketplace for the securities of emerging companies and smaller public companies, such as securities exchanges, alternative trading systems, analysts, information processors, and transfer agents; and

(C) three non-voting members—

(i) one of whom shall be appointed by the Investor Advocate;

(ii) one of whom shall be appointed by the North American Securities Administrators Association; and

(iii) one of whom shall be appointed by the Administrator of the Small Business Administration.

(2) Term

Each member of the Committee appointed under subparagraph (B), (C)(ii), or (C)(iii) of paragraph (1) shall serve for a term of 4 years.

(3) Members not Commission employees

Members appointed under subparagraph (B), (C)(ii), or (C)(iii) of paragraph (1) shall not be treated as employees or agents of the Commission solely because of membership on the Committee.

(c) Chairman; vice chairman; secretary; assistant secretary**(1) In general**

The members of the Committee shall elect, from among the members of the Committee—

(A) a chairman;

(B) a vice chairman;

(C) a secretary; and

(D) an assistant secretary.

(2) Term

Each member elected under paragraph (1) shall serve for a term of 3 years in the capac-

ity for which the member was elected under paragraph (1).

(d) Meetings

(1) Frequency of meetings

The Committee shall meet—

(A) not less frequently than four times annually, at the call of the chairman of the Committee; and

(B) from time to time, at the call of the Commission.

(2) Notice

The chairman of the Committee shall give the members of the Committee written notice of each meeting, not later than 2 weeks before the date of the meeting.

(e) Compensation and travel expenses

Each member of the Committee who is not a full-time employee of the United States shall—

(1) be entitled to receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level V of the Executive Schedule under section 5316 of title 5 for each day during which the member is engaged in the actual performance of the duties of the Committee; and

(2) while away from the home or regular place of business of the member in the performance of services for the Committee, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5.

(f) Staff

The Commission shall make available to the Committee such staff as the chairman of the Committee determines are necessary to carry out this section.

(g) Review by Commission

The Commission shall—

(1) review the findings and recommendations of the Committee; and

(2) each time the Committee submits a finding or recommendation to the Commission, promptly issue a public statement—

(A) assessing the finding or recommendation of the Committee; and

(B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.

(h) Federal Advisory Committee Act

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Committee and its activities.

(June 6, 1934, ch. 404, title I, §40, as added Pub. L. 114-284, §2(b), Dec. 16, 2016, 130 Stat. 1450.)

REFERENCES IN TEXT

The Federal Advisory Committee Act, referred to in subsec. (h), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, which is set out in the Appendix to Title 5, Government Organization and Employees.

CHAPTER 2B-1—SECURITIES INVESTOR PROTECTION

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Sec.
78bbb. Application of Securities Exchange Act of 1934.
78ccc. Securities Investor Protection Corporation.
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78jjj. Prohibited acts.
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78lll. Definitions.

§ 78aaa. Short title

This chapter may be cited as the “Securities Investor Protection Act of 1970”.

(Pub. L. 91-598, §1(a), Dec. 30, 1970, 84 Stat. 1636.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original “This Act”, meaning Pub. L. 91-598, Dec. 30, 1970, 84 Stat. 1636. For complete classification of this Act to the Code, see Tables.

SHORT TITLE OF 1978 AMENDMENT

Pub. L. 95-283, §1, May 21, 1978, 92 Stat. 249, provided that: “This Act [enacting sections 78fff-1 to 78fff-4 of this title, amending sections 77c, 78c, 78k, and 78ccc to 78lll of this title and enacting provisions set out as a note under section 78k of this title] may be cited as the ‘Securities Investor Protection Act Amendments of 1978.’”

§ 78bbb. Application of Securities Exchange Act of 1934

Except as otherwise provided in this chapter, the provisions of the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.] (hereinafter referred to as the “1934 Act”) apply as if this chapter constituted an amendment to, and was included as a section of, such Act.

(Pub. L. 91-598, §2, Dec. 30, 1970, 84 Stat. 1637.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning Pub. L. 91-598, Dec. 30, 1970, 84 Stat. 1636. For complete classification of this Act to the Code, see Tables.

The Securities Exchange Act of 1934, referred to in text, is act June 6, 1934, ch. 404, 48 Stat. 881, which is classified principally to chapter 2B (§78a et seq.) of this title. For complete classification of this Act to the Code, see section 78a of this title and Tables.

§ 78ccc. Securities Investor Protection Corporation

(a) Creation and membership

(1) Creation

There is hereby established a body corporate to be known as the “Securities Investor Protection Corporation” (hereafter in this chapter referred to as “SIPC”). SIPC shall be a nonprofit corporation and shall have succession until dissolved by Act of the Congress. SIPC shall—

(A) not be an agency or establishment of the United States Government; and