



September 23, 2025

The Honorable Paul Atkins  
Chairman  
Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549

*RE: Industry Support for Broadening the Accredited Investor Standard While Maintaining Investor Protections*

Dear Chairman Atkins:

Thank you for your steadfast commitment to promoting capital formation, enhancing U.S. financial markets, educating investors and cultivating sector innovation through sensible regulatory updates and reform. The undersigned organizations and companies, which comprise the Accredited Investor Alliance (“AIA”), urge you to undertake policymaking that would responsibly expand accredited investor eligibility.

**The AIA supports updating the accredited investor standard to:**

- Allow all investors working with registered investment advisers (“RIA”) or registered representatives of broker-dealers (“BD”) to access investment opportunities available to accredited investors, which would support broader capital formation;<sup>1</sup> and

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<sup>1</sup> Including investors working with a registered investment adviser or broker-dealer in the accredited investor definition would have the added benefit of easing compliance with Rule 506(c) of Regulation D. It would provide issuers a clearer, more reliable basis to verify accredited status—addressing a key barrier to broader use of 506(c), which currently requires documentation that issuers often cannot obtain directly from investors.

- Consider pertinent professional credentials, job experience and an examination process that would serve to demonstrate financial sophistication for investors to meet accredited investor eligibility criteria. The Securities and Exchange Commission’s (“Commission” or “SEC”) 2020 modernization made important progress in this regard, but the Commission should revisit, update and expand the pathways that allow an individual to qualify as an accredited investor.

Stakeholders established the AIA in 2024 to advocate for expanding the pool of accredited investors while maintaining necessary safeguards, which would foster economy-wide capital formation, support individual investors, help improve retirement outcomes and advance businesses of all sizes—both early-stage and established.

The AIA advocates for a detailed and multifaceted examination of the accredited investor definition by the SEC that considers the broader dynamics of our ever-changing economy and the increasingly pivotal role that private markets play in capital formation, supporting jobs and building wealth for investors.

Our coalition believes that income and net worth thresholds alone are not determinative of a person’s financial sophistication or acumen and thus there should be additional avenues for individuals to qualify as accredited investors.

The current conduct standards that govern financial professionals working with investors, such as the investment adviser fiduciary duty and the BD best interest standard, are robust and effective in providing for investor protection. These standards establish well-defined guardrails to ensure that recommended investments are suitable for and in the best interest of an investor’s financial situation.

Our organizations are gratified that policymaking efforts by the Administration and in Congress<sup>2</sup> to broaden the accredited investor standard have magnified this year and believe that the Commission has a unique opportunity to build on this significant momentum.

## **Recent Executive Order Directs SEC Review of Accredited Investor**

President Trump’s August 7 Executive Order, *Democratizing Access to Alternative Assets for 401(k) Investors* (the “Order”), directs the Department of Labor and SEC to review existing policies and regulations and adopt rules that move our country closer to the goal of retirement security for all Americans.

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<sup>2</sup> On June 23, 2025, the House of Representatives (“House”) passed Financial Services Committee Chairman French Hill’s *Fair Investment Opportunities for Professionals Act* (H.R. 3394) on a vote of 397-12. On July 22, 2025, Congressman Mike Flood’s *Equal Opportunity for All Investors Act* (H.R. 3339) passed the House by bipartisan voice vote. Additionally, the House passed former Congressman and Financial Services Committee Chairman Patrick McHenry’s *Accredited Investors Include Individuals Receiving Advice from Certain Professionals Act* (H.R. 2773 – 118<sup>th</sup> Congress), in 2024 as part of a broader legislative package, the *Expanding Access to Capital Act* (H.R. 2799 – 118<sup>th</sup> Congress).

The Order expressly states that the Commission, in an effort to “facilitate access to investments in alternative assets by participants” in defined contribution retirement plans, to also consider “revisions to existing SEC regulations and guidance relating to accredited investor and qualified purchaser status to accomplish the policy objectives of this order.”

The AIA and undersigned organizations stand ready to work with the Commission on policymaking steps it can take that would satisfy the Order’s directives.

The AIA appreciates your consideration of straightforward regulation and guidance to meaningfully expand accredited investor eligibility while preserving vital investor protections. Please let us know if you or your team have questions about the AIA or our request.

Sincerely,

**Accredited Investor Alliance**

Angel Capital Association

Carta

Engine

Financial Services Institute

Financial Technology Association

Inland Real Estate Group of Companies

Institute for Portfolio Alternatives

National Association of Insurance and Financial Advisors