

118TH CONGRESS  
1ST SESSION

# H. R. 4177

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2023

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

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## A BILL

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity, 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 “Improving Corporate  
5 Governance Through Diversity Act of 2023”.

6 **SEC. 2. SUBMISSION OF DATA RELATING TO DIVERSITY BY**  
7 **ISSUERS.**

8 Section 13 of the Securities Exchange Act of 1934  
9 (15 U.S.C. 78m) is amended by adding at the end the  
10 following:

1       “(s) SUBMISSION OF DATA RELATING TO DIVER-  
2     SITY.—

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

4                       “(A) the term ‘executive officer’ has the  
5                       meaning given the term in section 230.501(f) of  
6                       title 17, Code of Federal Regulations, as in ef-  
7                       fect on the date of enactment of this subsection;  
8                       and

9                       “(B) the term ‘veteran’ has the meaning  
10                      given the term in section 101 of title 38, United  
11                      States Code.

12               “(2) SUBMISSION OF DISCLOSURE.—Each  
13               issuer required to file an annual report under sub-  
14               section (a) shall disclose in any proxy statement and  
15               any information statement relating to the election of  
16               directors filed with the Commission the following:

17                       “(A) Data, based on voluntary self-identi-  
18                       fication, on the racial, ethnic, and gender com-  
19                       position of—

20                               “(i) the board of directors of the  
21                               issuer;

22                               “(ii) nominees for the board of direc-  
23                               tors of the issuer; and

24                               “(iii) the executive officers of the  
25                               issuer.

1           “(B) The status of any member of the  
2 board of directors of the issuer, any nominee  
3 for the board of directors of the issuer, or any  
4 executive officer of the issuer, based on vol-  
5 untary self-identification, as a veteran.

6           “(C) Whether the board of directors of the  
7 issuer, or any committee of that board of direc-  
8 tors, has, as of the date on which the issuer  
9 makes a disclosure under this paragraph,  
10 adopted any policy, plan, or strategy to promote  
11 racial, ethnic, and gender diversity among—

12                   “(i) the board of directors of the  
13 issuer;

14                   “(ii) nominees for the board of direc-  
15 tors of the issuer; or

16                   “(iii) the executive officers of the  
17 issuer.

18           “(3) ALTERNATIVE SUBMISSION.—In any 1-  
19 year period in which an issuer required to file an an-  
20 nual report under subsection (a) does not file with  
21 the Commission a proxy statement or an information  
22 statement relating to the election of directors, the  
23 issuer shall disclose the information required under  
24 paragraph (2) in the first annual report of issuer

1 that the issuer submits to the Commission after the  
2 end of that 1-year period.

3 “(4) ANNUAL REPORT.—Not later than 18  
4 months after the date of enactment of this sub-  
5 section, and annually thereafter, the Commission  
6 shall submit to the Committee on Financial Services  
7 of the House of Representatives and the Committee  
8 on Banking, Housing, and Urban Affairs of the Sen-  
9 ate, and publish on the website of the Commission,  
10 a report that analyzes the information disclosed  
11 under paragraphs (2) and (3) and identifies any  
12 trends with respect to such information.

13 “(5) BEST PRACTICES.—

14 “(A) IN GENERAL.—The Director of the  
15 Office of Minority and Women Inclusion of the  
16 Commission shall, not later than 3 years after  
17 the date of enactment of this subsection, and  
18 every 3 years thereafter, publish best practices  
19 for compliance with this subsection.

20 “(B) COMMENTS.—The Director of the Of-  
21 fice of Minority and Women Inclusion of the  
22 Commission may, pursuant to subchapter II of  
23 chapter 5 of title 5, United States Code, solicit  
24 public comments related to the best practices  
25 published under subparagraph (A).”.

1 **SEC. 3. DIVERSITY ADVISORY GROUP.**

2 (a) DEFINITIONS.—For the purposes of this section:

3 (1) ADVISORY GROUP.—The term “Advisory  
4 Group” means the Diversity Advisory Group estab-  
5 lished under subsection (b).

6 (2) COMMISSION.—The term “Commission”  
7 means the Securities and Exchange Commission.

8 (3) ISSUER.—The term “issuer” has the mean-  
9 ing given the term in section 3(a) of the Securities  
10 Exchange Act of 1934 (15 U.S.C. 78c(a)).

11 (b) ESTABLISHMENT.—The Commission shall estab-  
12 lish a Diversity Advisory Group, which shall be composed  
13 of representatives from—

14 (1) the Federal Government and State and local  
15 governments;

16 (2) academia; and

17 (3) the private sector.

18 (c) STUDY AND RECOMMENDATIONS.—The Advisory  
19 Group shall—

20 (1) carry out a study that identifies strategies  
21 that can be used to increase gender, racial, and eth-  
22 nic diversity among members of boards of directors  
23 of issuers; and

24 (2) not later than 270 days after the date on  
25 which the Advisory Group is established, submit to  
26 the Commission, the Committee on Financial Serv-

1       ices of the House of Representatives, and the Com-  
2       mittee on Banking, Housing, and Urban Affairs of  
3       the Senate a report that—

4               (A) describes any findings from the study  
5       conducted under paragraph (1); and

6               (B) makes recommendations regarding  
7       strategies that issuers could use to increase  
8       gender, racial, and ethnic diversity among  
9       board members.

10       (d) ANNUAL REPORT.—Not later than 1 year after  
11      the date on which the Advisory Group submits the report  
12      required under subsection (c)(2), and annually thereafter,  
13      the Commission shall submit to the Committee on Finan-  
14      cial Services of the House of Representatives and the  
15      Committee on Banking, Housing, and Urban Affairs of  
16      the Senate a report that describes the status of gender,  
17      racial, and ethnic diversity among members of the boards  
18      of directors of issuers.

19       (e) PUBLIC AVAILABILITY OF REPORTS.—The Com-  
20      mission shall make all reports of the Advisory Group avail-  
21      able to issuers and the public, including on the website  
22      of the Commission.

23       (f) INAPPLICABILITY OF FEDERAL ADVISORY COM-  
24      MITTEE ACT.—The Federal Advisory Committee Act (5

- 1 U.S.C. App.) shall not apply with respect to the Advisory
- 2 Group or the activities of the Advisory Group.

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