

# Freedom: Remarks at Meeting of the Small Business Capital Formation Advisory Committee



**Commissioner Hester M. Peirce**

**Washington D.C.**

**Nov. 29, 2023**

Thank you, Erica [Duignan]. And good morning and thank you to the speakers and Committee members for joining today and your continued willingness to serve. We greatly value your input.

In the spirit of what I like regulations to be, I will keep my remarks today brief.

The accredited investor definition is always a source of lively discussion. I hope that one aspect of today's discussion will be how we can bring to life an idea the Commission posited several years ago. Specifically, in conjunction with revising the definition of accredited investor in 2020, the Commission raised the possibility of "designat[ing] qualifying professional certifications, designations, and other credentials by order" as a means of reaching accredited investor status.<sup>[1]</sup> What other measures of sophistication should the Commission designate? Successful completion of certain well-established privately administered investor education certification programs? A set of college courses on investment? Degrees in certain fields?

Relevant to both of your discussions today is the way our capital markets intertwine with who we are as an American people. Although not perfectly achieved, the ideal that unites us as Americans is a commitment to freedom—freedom to think for yourself and to use your time and talents to serve your family and community in the way you think is best. The capital markets help us to live out that freedom. The Commission, which is charged with regulating those markets, needs to be careful not to trample on the ability of Americans to think, dream, and do. Americans should be able to invest and build wealth without having to convince regulators—even those operating with a protective impulse—that they are sophisticated enough or rich enough. Rather, our role is to ensure that capital can flow freely to enable Americans—all Americans—to make the most of their time and talents. That includes the freedom to build businesses and invest in others' businesses. Freedom and risk-taking are the backbone of our thriving, dynamic, innovative economy. Any regulations we adopt must be very careful not to impede that freedom.

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<sup>[1]</sup> *Accredited Investor Definition*, 85 FR 64234, 64241 (Oct. 9, 2020), <https://www.federalregister.gov/documents/2020/10/09/2020-19189/accredited-investor-definition#:~:text=The%20final%20rules%20are%20tailored,the%20economy%20that%20disproportionately%20create> ("As proposed, the final amendment provides that the Commission may designate qualifying professional certifications, designations, and other credentials by order, with such designation to be based upon

consideration of all the facts pertaining to a particular certification, designation, or credential. Also as proposed, the final amendment includes a nonexclusive list of attributes that the Commission will consider in determining which professional certifications and designations or other credentials qualify a natural person for accredited investor status.”).