



SECURITIES AND EXCHANGE COMMISSION

[Release No. 33-11447; File No. 4-933]

Potential Designation of Chartered Financial Analyst Designation as Qualifying Natural Persons for Accredited Investor Status

AGENCY: Securities and Exchange Commission.

ACTION: Notice; request for comment.

SUMMARY: Notice is given that the Securities and Exchange Commission (the “Commission”) is considering whether to issue an order designating holding a charter as a Chartered Financial Analyst (“CFA”) in good standing as qualifying natural persons for accredited investor status.

DATES: This release was published in the *Federal Register* on [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Comments should be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission’s internet comment form (<https://www.sec.gov/comments/4-933/potential-designation-chartered-financial-analyst-designation-qualifying-natural-persons-accredited>); or
- Send an email to rule-comments@sec.gov. Please include File Number 4-933 on the subject line. To submit a comment to more than one file, please include each file number on the subject line.

Paper comments:

- Send paper comments to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number 4-933. To submit a comment to more than one file, please refer to each file number. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method of submission. The Commission will post all submitted comments on its website (<https://www.sec.gov/rules-regulations/public-comments/4-933>). Do not include personally identifiable information in submissions; you should submit only information that you wish to make available publicly. The Commission may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

FOR FURTHER INFORMATION CONTACT: John Byrne, Office Chief, Kenisha D.

Nicholson, Senior Special Counsel, or Max Corey, Special Counsel, Office of Small Business Policy, Division of Corporation Finance, at 202-551-3460, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION:

I. BACKGROUND

A. Accredited Investor Definition

Regulation D¹ provides a widely-used set of exemptions from registration under 15 U.S.C. 77a *et seq.* (the “Securities Act”) for the offer and sale of securities.² Among other things, Regulation D includes the regulatory definition of “accredited investor” in 17 CFR 230.501(a) (“Rule 501(a)”) followed by the three main operative provisions—17 CFR 230.504 (“Rule

¹ 17 CFR 230.500 through 230.508.

² Approximately \$400 billion was raised in Regulation D offerings (excluding pooled funds) between July 1, 2024 and June 30, 2025. *See Staff Report from Office of the Advocate for Small Business Capital Formation (“OASB”) Fiscal Year 2025 OASB Annual Report* (Jan. 8, 2026) at 14, available at <https://www.sec.gov/files/2025-oasb-staff-report.pdf>.

504”),³ 17 CFR 230.506(b) (“Rule 506(b)”)⁴ and 17 CFR 230.506(c) (“Rule 506(c)”)⁵. The Commission has stated that the “accredited investor” definition under Regulation D is intended to capture persons whose financial sophistication renders the protection of the Securities Act’s registration process unnecessary.⁶

The definition of “accredited investor” is a cornerstone of Regulation D and also plays an important role in other Federal securities law contexts.⁷ Qualifying for accredited investor status is significant because accredited investors may, under Commission rules, participate in investment opportunities that are generally not available to non-accredited investors, such as investments in private companies and offerings by private funds.

Accredited investors are natural persons and entities that come within, or that the issuer reasonably believes come within, any of the enumerated categories contained in Rule 501(a).

Natural persons may qualify as accredited investors if they are:

³ Rule 504 provides an exemption from registration under the Securities Act for the offer and sale of up to \$10 million of securities in a 12-month period from an unlimited number of investors (without regard to whether those investors are accredited).

⁴ Rule 506(b) is a safe harbor under section 4(a)(2) of the Securities Act that permits issuers to raise any amount from an unlimited number of accredited investors but limits the number of non-accredited investors to 35 in any 90-calendar-day period. The rule does not permit general solicitation and, where non-accredited investors purchase in the Rule 506(b) offering, the information requirements in 17 CFR 230.502(b) must be met. *See* 17 CFR 230.506(b)(1); 17 CFR 230.506(b)(2)(i); 17 CFR 230.502(b).

⁵ Rule 506(c) provides an exemption from registration under the Securities Act, and permits issuers to raise any amount from an unlimited number of accredited investors. The exemption permits general solicitation, but issuers may not make any sales to non-accredited investors under Rule 506(c), and the issuer must take reasonable steps to verify that all purchasers are accredited. *See also* Jumpstart Our Business Startups Act of 2012, Pub. L. No. 112-106, sec. 201(a), 126 Stat. 306 (2012) (directing the Commission to revise its rules “to provide that the prohibition against general solicitation or general advertising contained in section 230.502(c) of such title [17] shall not apply to offers and sales of securities made pursuant to section 230.506, provided that all purchasers of the securities are accredited investors Section 230.506 of title 17, Code of Federal Regulations, as revised pursuant to this section, shall continue to be treated as a regulation issued under section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2))”).

⁶ *See Accredited Investor Definition*, Release No. 33-10824 (Aug. 26, 2020) [85 FR 64234, n.7 and accompanying text (Oct. 9, 2020)] (“Accredited Investor Adopting Release”); Regulation D Revisions; Exemption for Certain Employee Benefit Plans, Release No. 33-6683 (Jan. 16, 1987) [52 FR 3015 (Jan. 30, 1987)]. *See also SEC v. Ralston Purina Co.*, 346 U.S. 119, 125 (1953) (taking the position that the availability of the section 4(a)(2) exemption “should turn on whether the particular class of persons affected needs the protection of the [Securities] Act. An offering to those who are shown to be able to fend for themselves is a transaction ‘not involving any public offering’”).

⁷ For example, each of 17 CFR 230.251 through 230.263 (“Regulation A”) and 17 CFR 227.100 through 227.504 (“Regulation Crowdfunding”) contains limitations on the amount an investor may invest if such investor is not an accredited investor. *See* 17 CFR 230.251(d)(2)(i)(C) and 17 CFR 227.100(a)(2).

- Any director, executive officer, or general partner of the issuer of the securities being offered or sold or of a general partner of that issuer, pursuant to 17 CFR 230.501(a)(4);
- Individuals who have a net worth exceeding \$1,000,000 (excluding the value of the individual's primary residence and any indebtedness secured by such residence up to the estimated value of the residence), either alone or with their spouse or spousal equivalent, pursuant to 17 CFR 230.501(a)(5);
- Individuals who had an income in excess of \$200,000 in each of the two most recent years, or joint income with the individual's spouse or spousal equivalent in excess of \$300,000 in each of those years, and have a reasonable expectation of reaching the same income level in the current year, pursuant to 17 CFR 230.501(a)(6);
- Individuals who are holders in good standing of one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status, pursuant to 17 CFR 230.501(a)(10) ("Rule 501(a)(10)");
- Individuals who are "knowledgeable employees,"⁸ under the Investment Company Act of 1940 (the "Investment Company Act"),⁹ of the private-fund issuer of the securities being offered or sold, pursuant to 17 CFR 230.501(a)(11); or
- Individuals who are "family clients" of a "family office"¹⁰ under the Investment Advisers Act of 1940 (the "Advisers Act")¹¹ and whose prospective investment in the issuer is directed by such family office in accordance with 17 CFR 230.501(a)(12)(iii), pursuant to 17 CFR 230.501(a)(13) ("Rule 501(a)(13)").

⁸ 17 CFR 270.3c-5(a)(4).

⁹ 15 U.S.C. 80a-1 *et seq.*

¹⁰ 17 CFR 275.202(a)(11)(G)-1 (defining "family office").

¹¹ 15 U.S.C. 80b-1 *et seq.*

Various institutions may qualify as accredited investors based on their status alone or on a combination of their status and the amount of their total assets or investments. Institutions that qualify include:

- Banks, savings and loan associations; brokers or dealers registered pursuant to section 15 of the Securities Exchange Act of 1934;¹² certain investment advisers; insurance companies; investment companies registered under the Investment Company Act or business development companies as defined in section 2(a)(48) of the Investment Company Act;¹³ and certain specialized investment companies;¹⁴ plans established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5 million; employee benefit plans (within the meaning of the Employee Retirement Income Security Act of 1974¹⁵) if a bank, savings and loan association, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million, or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors, pursuant to 17 CFR 230.501(a)(1) (“Rule 501(a)(1)”);
- Any private business development company as defined in section 202(a)(22) of the Advisers Act,¹⁶ pursuant to 17 CFR 230.501(a)(2) (“Rule 501(a)(2)”);
- Charitable organizations, corporations, business trusts, partnerships, or limited liability companies not formed for the specific purpose of acquiring the securities offered, with

¹² 15 U.S.C. 78o.

¹³ 15 U.S.C. 80a-2(a)(48).

¹⁴ This includes small business investment companies licensed under section 301(c) or (d) of the Small Business Investment Act of 1958 [15 U.S.C. 661 *et seq.*], and any rural business investment company as defined in section 384A of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921].

¹⁵ 29 U.S.C. 1001 *et seq.*

¹⁶ 15 U.S.C. 80b-2(a)(22).

total assets in excess of \$5,000,000, pursuant to 17 CFR 230.501(a)(3) (“Rule 501(a)(3)”);¹⁷

- Trusts with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in 17 CFR 230.506(b)(2)(ii), pursuant to 17 CFR 230.501(a)(7) (“Rule 501(a)(7)”);
- Entities in which all of the equity owners are accredited investors, pursuant to 17 CFR 230.501(a)(8) (“Rule 501(a)(8)”);
- Any entity, of a type not listed in Rules 501(a)(1), (2), (3), (7), or (8), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000, pursuant to 17 CFR 230.501(a)(9);
- “Family offices” meeting certain requirements, pursuant to 17 CFR 230.501(a)(12) (“Rule 501(a)(12)”);¹⁸ and
- Entities that are “family clients” of a “family office” that meets the requirements of Rule 501(a)(12), pursuant to Rule 501(a)(13).

B. Background on Rule 501(a)(10) and Overview of Potential Designation

Rule 501(a)(10) confers accredited investor status on any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.¹⁹ In adopting Rule 501(a)(10), the Commission stated that certain

¹⁷ A charitable organization is as described in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

¹⁸ The family office must have assets under management in excess of \$5,000,000; not been formed for the specific purpose of acquiring the securities offered; and its prospective investments directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. *See* 17 CFR 230.501(a)(12)(i) through 230.501(a)(12)(iii).

¹⁹ Rule 501(a)(10) does not expressly define what constitutes good standing. In connection with the adoption of Rule 501(a)(10), the Commission stated that in addition to passing the relevant exam, “maintaining an active certification, designation, or license is sufficient to demonstrate the individual’s financial sophistication to invest in exempt offerings . . . [and] that an inactive certification, designation, or license, particularly when the

“professional credentials and experience should enable [investors that hold such credentials] to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk.”²⁰

Rule 501(a)(10) contains the following non-exclusive list of attributes that the Commission will consider in determining whether to designate a professional certification or designation or credential from an accredited educational institution as qualifying for accredited investor status:

- The certification, designation, or credential arises out of an examination or series of examinations administered by a self-regulatory organization or other industry body or is issued by an accredited educational institution, under 17 CFR 230.501(a)(10)(i) (“Rule 501(a)(10)(i)”);
- The examination or series of examinations is designed to reliably and validly demonstrate an individual’s comprehension and sophistication in the areas of securities and investing, under 17 CFR 230.501(a)(10)(ii) (“Rule 501(a)(10)(ii)”);
- Persons obtaining such certification, designation, or credential can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment, under 17 CFR 230.501(a)(10)(iii) (“Rule 501(a)(10)(iii)”); and
- An indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is

certification or designation has been inactive for an extended period of time, could lessen the validity of the certification or designation as a measure of financial sophistication.” Accredited Investor Adopting Release at 64242. *See infra* section II.B.1.

²⁰ *Id.* at 64241.

otherwise independently verifiable, under 17 CFR 230.501(a)(10)(iv) (“Rule 501(a)(10)(iv)”).²¹

In proposing Rule 501(a)(10), the Commission noted prior recommendations to designate CFAs²² as qualifying natural persons for accredited investor status, but did not include them in the proposed list of certifications or designations to be included in an initial Commission order accompanying the final rule, if adopted.²³ In response to the omission, the CFA Institute, which is a global, not-for-profit professional association of CFAs that also awards the CFA charter, recommended the inclusion of CFAs on the initial list of professional certifications, designations, and credentials.²⁴ The CFA Institute stated “[w]e believe that the CFA Charter demonstrates that an investor has the requisite level of financial sophistication and abilities to render the protections of the Securities Act unnecessary. Therefore, the Commission should designate the CFA Charter as qualifying for accredited investor status.”²⁵

In July 2026, the CFA Institute submitted another letter in support of designating the CFA charter as qualifying individuals for accredited investor status.²⁶ In that letter, the CFA Institute specifically noted ways in which it believed that the CFA charter would satisfy the requirements of Rule 501(a)(10), including that “[t]he CFA Program curriculum and series of three exams . . . are designed to reliably and validly demonstrate comprehension and sophistication of securities and investing at a professional level”; “[p]ersons obtaining the CFA charter can reasonably be expected to have the knowledge and experience in financial and

²¹ Additionally, Note 1 to paragraph 501(a)(10) specifies that the Commission will designate professional certifications or designations or credentials as qualifying such holders as accredited investors by order, after notice and an opportunity for public comment.

²² As used herein, a CFA refers to those persons that are considered “CFA Charterholders” and eligible to use such designation publicly.

²³ *See Amending the “Accredited Investor” Definition*, Release No. 33-10734 (Dec. 18, 2019) [85 FR 2574, 2579-2581 (Jan. 15, 2020)] (the “Accredited Investor Proposing Release”).

²⁴ *See* letter from the CFA Institute (May 4, 2020) (“CFA Institute 2020”). The comment letters to the Accredited Investor Proposing Release are available at <https://www.sec.gov/comments/s7-25-19/s72519.htm>.

²⁵ *See* letter from CFA Institute 2020 at n.8.

²⁶ *See* letter from the CFA Institute (July 26, 2026) (“CFA Institute 2026”), available at <https://www.sec.gov/comments/S7-25-19/s72519-974860-3046830.pdf>.

business matters to evaluate the merits and risks of a prospective investment”; and the “CFA Institute offers the public access to an online searchable Member Directory to verify whether an individual (i) is a member in good standing of CFA Institute, (ii) holds the CFA charter and (iii) the date when the individual earned the charter.”²⁷

Other commenters also generally supported the inclusion of CFAs.²⁸ One of those commenters stated that holding a charter as a CFA “generally require[s] the mastery of a broader range of material at a deeper level than the series 7 exam and, therefore better equip[s] a person to evaluate investments.”²⁹ Another commenter stated holding a charter as a CFA “demonstrate[s] the same type[] of financial sophistication as the Series 7, 65, or 82 licenses.”³⁰ One commenter stated that the exclusion of CFA “unnecessarily limits the definition [of “accredited investor”] without providing an investor protection benefit.”³¹

Consistent with the proposal, at the time of adoption of Rule 501(a)(10), the Commission issued an order designating the General Securities Representative license (Series 7), Private Securities Offerings Representative license (Series 82), and Investment Adviser Representative license (Series 65) as qualifying a holder of such licenses in good standing for accredited investor status.³² In the Accredited Investor Adopting Release, the Commission expressly noted

²⁷ See *id.*

²⁸ See e.g., letter from James J. Angel (Mar. 3, 2020); letter from Artivest Holdings, Inc. (Apr. 22, 2020) (“Artivest”); letter from American Association of Private Lenders (May 27, 2020); letter from Association of Trust Organizations, Inc. (Apr. 15, 2020); letter from Michael Bernstein (Dec. 19, 2019); letter from David R. Burton (May 1, 2020) (“D. Burton”); letter from Carta, Inc. (Mar. 16, 2020); letters from CityVest (Jan. 6, 2020 and Jan. 7, 2020); letter from Luke Denlinger (Dec. 22, 2019); letter from Fidelity Investments (Mar. 16, 2020) (“Fidelity”); letter from Geraci LLP (Mar. 9, 2020); letter from HLWG (Mar. 16, 2020); letter from the Institute for Portfolio Alternatives (Mar. 16, 2020) (“IPA”); letter from Kevin King (Jan. 23, 2020); letter from Chris Lakumb (Dec. 18, 2019); letter from Mercer Advisors (Mar. 11, 2020); letter from Adam Moehn (Mar. 8, 2020); letter from Alex Naegle (Jan. 9, 2020); letter from G. Philip Rutledge (Jan. 31, 2020); letter from Ashley Wunderlich (Feb. 7, 2020); letter from Kurt Wunderlich (Feb. 7, 2020).

²⁹ See letter from D. Burton.

³⁰ See letter from Fidelity.

³¹ See letter from Artivest. See also letter from IPA (similarly stating that the exclusion of CFAs “would unnecessarily limit the definition without commensurate investor benefit.”).

³² The exams for the General Securities Representative license (Series 7) and the Private Securities Offerings Representative license (Series 82) are developed and administered by the Financial Industry Regulatory Authority (“FINRA”), and the exam for the Investment Adviser Representative license (Series 65) was developed by the North American Securities Administrators Association and is administered by FINRA. See

that “[a]lthough other professional certifications, designations, and credentials, such as other FINRA exams, a specific accredited investor exam, other educational credentials, or professional experience received broad commenter support, we are taking a measured approach to the expansion of the definition . . . [and] we believe it is appropriate to consider these other credentials after first gaining experience with the revised rules.”³³

The Commission has now had over five years of experience with the initially designated professional licenses. There is no evidence that we are aware of to suggest that the expansion in 2020 of the accredited investor definition to include these types of financially sophisticated investors has created investor protection concerns. Since the adoption of Rule 501(a)(10) and the initial designations, the Commission has received recommendations to further expand the number of investors that qualify as accredited investors under Rule 501(a)(10).³⁴ The arguments in some of these recommendations echo the arguments contained in letters from commenters in connection with the adoption of Rule 501(a)(10), which stated that the definition limits access to

Order Designating Certain Professional Licenses as Qualifying Natural Persons for Accredited Investor Status, Release No. 33-10823 (Aug. 26, 2020) [85 FR 64234 (Oct. 9, 2020)].

³³ Accredited Investor Adopting Release at 64243.

³⁴ See, e.g., Letter from CFA Institute 2026; *Report on the 45th Annual Small Business Forum* (July 27, 2026) at 17, available at <https://www.sec.gov/files/2026-oasb-annual-forum-report.pdf> (recommending that the Commission “expand the accredited investor definition to include additional measures of sophistication, including through an investor test and experience”); *Report on the 44th Annual Small Business Forum* (Sept. 22, 2025) at 18, available at <https://www.sec.gov/files/2025-oasb-annual-forum-report.pdf> (recommending that the Commission “[e]xpand the accredited investor definition to include additional measures of sophistication”); SEC Small Business Capital Formation Advisory Committee Recommendation regarding the Accredited Investor Definition (May 1, 2024), available at <https://www.sec.gov/files/recs-accredited-investor-definition.pdf> (recommending in part that persons not meeting the definition be able to undertake an educational program, which would allow them to invest a percent of their assets); OASB, *Annual Report for Fiscal Year 2023* at 75, available at <https://www.sec.gov/files/2023-oasb-annual-report.pdf> (recommending expansion of the accredited investor definition to add qualitative professional criteria and alternative ways to demonstrate financial sophistication). See also SEC Investor Advisory Committee Recommendation regarding Retail Investor Access to Private Market Assets (Sept. 18, 2025), available at <https://www.sec.gov/files/iac-recommendation-private-market-assets-final-09182025.pdf> (not taking a position on whether the accredited investor definition should be expanded, but recommending that, if the definition were to be expanded, the Commission consider expanding the accredited investor definition to cover additional professional certifications or designations or credentials, including the CFA).

private investments primarily to those who are wealthy,³⁵ have close ties to the issuer,³⁶ or have certain jobs in the financial industry.³⁷ The Commission has also received petitions for rulemaking requesting changes to the accredited investor definition.³⁸

For the reasons set forth in section II, we believe that holding a charter as a CFA in good standing would satisfy the standard in Rule 501(a)(10).³⁹ Accordingly, as required by Rule 501(a)(10), we are providing notice and an opportunity for public comment on the potential

³⁵ See, e.g., letter from D. Burton (stating that “people outside of the financial industry should have a means to prove that they have the knowledge and sophistication to qualify as [accredited investors] . . . [o]therwise, the Commission will effectively creat[e] barriers where only affluent people or those it regulates in the financial industry have access to these investments.”); letter from Tron Black (Nov. 20, 2019, last updated Dec. 24, 2019).

³⁶ See, e.g., letter from Bruce A. Wallick (Dec. 19, 2019) (stating that the “[accredited investor definition] should include an opportunity for self-taught investors to demonstrate their financial sophistication and achieve accredited status.”); letter from D. Burton.

³⁷ See, e.g., letter from Crowdwise, LLC (Mar. 1, 2020) (stating that it is crucial for the Commission to “consider how self-taught, sophisticated investors who do *not* have any other financial credentials (nor the ability to get them) or finance industry experience can still have access to the same investment opportunities that are available to accredited investors today.”); letter from D. Burton (stating that expansion of the accredited investor definition “will help investors that would typically otherwise be barred from investing in Regulation D offerings (most often younger investors or those that live outside of high-income metropolitan areas).”).

³⁸ See Benjamin Bartel, *Petition for Rulemaking to Amend the Accredited Investor Definition in Rule 501(a) of SEC Regulation D* (Sept. 25, 2025), available at <https://www.sec.gov/files/rules/petitions/2025/petn4-871.pdf>; Fabricio R. Murillo Garcia, *Petition for Modification of Definition of Accredited Investors* (Feb. 13, 2024), available at <https://www.sec.gov/files/rules/petitions/2024/petn4-823.pdf>; Nicholas Morgan, Investor Choice Advocates Network, *Rulemaking petition to reduce the diversity, equity, and inclusion (“DEI”) barriers for “accredited investors” by replacing the net worth and income requirements of Rule 501(a) under the Securities Act of 1933 with non-financial metrics* (Nov. 9, 2022), available at <https://www.sec.gov/files/rules/petitions/2022/petn4-796.pdf>; Benny R. Brown, *Request to change the rules which qualifies an individual or individuals as an accredited investor* (Apr. 26, 2021), available at <https://www.sec.gov/files/rules/petitions/2021/petn4-773.pdf>. The Commission has considered these petitions in connection with this notice and the other notices published elsewhere in this issue of the *Federal Register*. See *infra* note 39.

³⁹ We are also concurrently providing notice pursuant to Note 1 to paragraph 501(a)(10) with respect to the potential designation of each of the following as qualifying natural persons for accredited investor status: the passage of an accredited investor exam to be developed by FINRA; holding a license as a U.S. certified public accountant in good standing; holding a certification as a Certified Financial Planner in the United States in good standing; and the Investment Banking Representative license (Series 79) and the Research Analyst license (Series 86 and Series 87). See *Potential Designation of Passage of an Accredited Investor Exam to be Developed by FINRA as Qualifying Natural Persons for Accredited Investor Status*; *Potential Designation of U.S. Certified Public Accountant License as Qualifying Natural Persons for Accredited Investor Status*; *Potential Designation of Certified Financial Planner Certification as Qualifying Natural Persons for Accredited Investor Status*; *Potential Designations of the Investment Banking Representative License (Series 79) and the Research Analyst License (Series 86 and Series 87) as Qualifying Natural Persons for Accredited Investor Status* published elsewhere in this issue of the *Federal Register*.

designation of holding a charter as a CFA in good standing as qualifying natural persons for accredited investor status.⁴⁰

II. DISCUSSION

A. CFA Requirements

1. Background

We believe designating the holding of a charter as a CFA in good standing as qualifying natural persons for accredited investor status would be consistent with the standard in Rule 501(a)(10) because such status meets the non-exclusive attributes the Commission identified in Rule 501(a)(10) as relevant to its consideration of adding additional professional certifications or designations or credentials.

CFA charterholders are often professionals in the investment industry – the CFA Institute states that they “occupy a range of investment decision-making roles including buy-side, sell-side, and corporate and advisory positions.”⁴¹ The CFA Institute also states that “[a]mong charterholders globally, the two top professions are portfolio managers and investment analysts.”⁴²

In order to earn the CFA charter, a candidate must meet the eligibility requirements related to education or work experience to register and enroll in the CFA Program, pass all three levels of the CFA exam (the “Exam”) and meet the work experience requirements.⁴³ The Exam tests CFA candidates’ knowledge and skills related to investment analysis, valuation, portfolio construction, and ethical decision making.⁴⁴ The CFA Institute is the credentialing body

⁴⁰ As is the case for the other prongs of the accredited investor definition, individuals holding a CFA in good standing would only themselves qualify as accredited investors and could not rely on their status as accredited investors to purchase securities on behalf of another person.

⁴¹ Letter from CFA Institute 2026 at 8.

⁴² *Id.* Other professions include private wealth manager/financial adviser/financial planner, corporate finance/M&A analyst, and risk analyst/manager. *Id.*

⁴³ See CFA Institute, *CFA Program exam information*, available at <https://www.cfainstitute.org/programs/cfa-program/exam> (last retrieved Sept. 24, 2026).

⁴⁴ See letter from CFA Institute 2026.

responsible for developing and scoring the Exam. The candidate must also join the CFA Institute as a member and commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.⁴⁵ As of August 10, 2026, the CFA Institute estimates that there are approximately 194,000 CFAs worldwide.⁴⁶

2. Educational and Work Experience Requirements

In order to be eligible to enroll in the CFA Program and register for the Exam, a candidate must either: 1) hold a bachelor's degree; 2) be currently enrolled in a bachelor's degree program (if the candidate is within 23 months of their graduation month); or 3) have either 4,000 hours of qualified professional work experience or a combination of professional work experience and higher education totaling 4,000 hours.⁴⁷ Further, in order to apply to hold a charter as a CFA, in addition to having successfully passed the Exam, a candidate must have a minimum of 4,000 qualified hours of experience completed in a minimum of 36 months and such “[q]ualified hours must be directly related to the investment decision-making process or producing a work product that informs or adds value to that process.”⁴⁸

3. Exam

i. Contents

The Exam is composed of three separate exams, each of which a CFA candidate must pass to be eligible to obtain a CFA:

- Over a four-hour and thirty-minute period, the Level I exam tests knowledge and skills related to key terms, concepts, and formulas that are the foundation of the investment

⁴⁵ See letter from CF Institute 2026.

⁴⁶ See CFA Institute, *Where do CFA charterholders work?*, available at <https://www.cfainstitute.org/programs/cfa-program/careers/employers-list> (last retrieved Sept. 24, 2026). See also CFA Institute 2026 (“We have nearly 200,000 members in 160 locations around the world. The vast majority of our members (97%) are CFA charterholders.”).

⁴⁷ See CFA Institute, *CFA Program*, available at https://help.cfainstitute.org/s/article/Enrollment-Requirements?language=en_US (noting “Additional Requirements,” including requiring candidates to sign statements of “Professional Conduct and Candidate Responsibility” during registration and having a valid passport) (last retrieved Sept. 24, 2026).

⁴⁸ See letter from CFA Institute 2026 at 8.

industry through 180 questions on the 10 following topics: ethical and professional standards; quantitative methods; economics; financial statement analysis; corporate issuers; equity investments; fixed income; derivatives; alternative investments; and portfolio management.⁴⁹

- Over a four-hour and twenty-four-minute period, the Level II exam tests knowledge and skills related to analyzing and evaluating situations that draw upon the knowledge and skills tested by the Level I exam through 88 multiple choice questions covering the same 10 topics as the Level I exam.⁵⁰
- Over a four-hour and twenty-four-minute period, the Level III exam tests knowledge and skills obtained from Levels I and II and requires the application of such knowledge to real-world scenarios.⁵¹ For the Level III exam, candidates have the opportunity to select the specialized pathway “more directly related to their interests and aspirations” from one of the following: portfolio management, private wealth, or private markets.⁵²

Approximately 65 to 70 percent of the Level III exam tests on a common core of knowledge, skills and ability applicable to all three pathways.⁵³ The remaining 30 to 35

⁴⁹ The 2026 potential weights for the topics range from five percent to 20 percent, with four topics weighted a minimum of 11 percent (ethical and professional standards; financial statement analysis; equity investments; and fixed income). See CFA Institute, *CFA Program Level I exam*, available at <https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-i-exam#topic-weights> (last retrieved Sept. 24, 2026). The CFA slightly revised the Level I topics for 2027, replacing “corporate issuers” with “corporate finance,” “equity investments” with “equities,” and “portfolio management” with “portfolio construction.” See *id.* The weights for the topics also were adjusted for 2027, with a range of weights from five percent to 15 percent. See *id.*

⁵⁰ The topics are weighted differently for the Level II exam, with the potential weights ranging from five percent to 15 percent, with five topics weighted a minimum of 10 percent (financial statement analysis; equities; fixed income; portfolio construction; and ethical and professional standards). See CFA Institute, *CFA Program Level II exam*, available at <https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-ii-exam> (last retrieved Sept. 24, 2026).

⁵¹ See CFA Institute, *CFA Program Level III exam* (“Level III exam details”), available at <https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-iii-exam> (last retrieved Sept. 24, 2026).

⁵² See CFA Institute, *Level III specialized pathways*, available at <https://www.cfainstitute.org/programs/cfa-program/candidate-resources/level-iii-exam/specialized-pathways> (stating that the CFA Institute introduced the pathways “recogniz[ing] there is more we can do to prepare candidates for promotion or lateral hiring into . . . [private markets and private wealth] job roles”) (last retrieved Sept. 24, 2026).

⁵³ The common core knowledge topics are: asset allocation; portfolio construction; performance measurement; derivatives and risk management; and ethical and professional standards. *Id.*

percent of the Level III exam tests on knowledge and skills related to the specialized pathway selected by the CFA candidate. Unlike the Level I and Level II exams, the Level III exam includes essay questions, in addition to multiple choice questions.⁵⁴

In addition, in connection with each level of the Exam, a CFA candidate is required to complete a “Practical Skill Module,” which is designed to develop a CFA candidate’s practical skills through videos, multiple-choice questions, guided practice, and case studies.⁵⁵ Each Practical Skill Module is not scored and takes from 10 to 20 hours to complete. A different one must be completed with each level of the Exam.

As part of the CFA Institute’s development of the Exam, it annually conducts a “practice analysis process,” to “assess and update the Candidate Body of Knowledge, which identifies knowledge, skills, and abilities that investment professionals need to perform successfully throughout their career.”⁵⁶

ii. Administration of the Exam

The CFA candidate applies to take the Exam through the CFA Institute. The current standard registration fee is \$1,490 for each of the Level I and Level II exams, and \$1,590 for the Level III exam.⁵⁷ The Exam is administered four times a year, in February, May, August, and

⁵⁴ See Level III exam details. According to the CFA Institute, “over the past five years, the average pass rate has been less than 50 percent,” cumulatively, for each level of the Exam (Level II pass rate of 46% for candidates who successfully passed Level I (41%) Level III pass rate of 49% for candidates who successfully passed Level II and who go on to sit for Level III). See letter from CFA Institute 2026.

⁵⁵ The topics available vary by level. For the Level I exam, they are financial modeling or python programming fundamentals. For the Level II exam, they are python programming fundamentals; python, data science, and artificial intelligence; or analyst skills. For the Level III exam, they are specific to the specialized pathway that the CFA candidate selected. See CFA Institute, *Practical Skill Modules*, available at <https://www.cfainstitute.org/programs/cfa-program/candidate-resources/practical-skills-modules> (last retrieved Sept. 24, 2026).

⁵⁶ CFA Institute, *CFA Program practice analysis*, available at <https://www.cfainstitute.org/programs/cfa-program/practice-analysis> (last retrieved Sept. 24, 2026). According to the CFA institute, the “Candidate Body of Knowledge” “represents the core knowledge, skills, and abilities (competencies) generally accepted and applied by investment professionals globally.” CFA Institute, *Candidate Body of Knowledge (CBOK)*, available at <https://www.cfainstitute.org/programs/cfa-program/candidate-resources/cbok> (last retrieved Sept. 24, 2026).

⁵⁷ See CFA Institute, *CFA Program*, available at <https://www.cfainstitute.org/programs/cfa-program/dates-fees> (last retrieved Sept. 24, 2026). In addition, to the extent that a CFA candidate needs to reschedule, the fee is currently approximately \$250.

November, and may only be taken at certain designated testing centers.⁵⁸ Candidates may take up to two of the levels during a calendar year, and the levels cannot be taken in consecutive administration windows or within six months of each other.⁵⁹

4. Additional Requirements

To become CFAs, in addition to passing the Exam and having the requisite work experience, candidates must become a “charterholder” member of the CFA Institute.⁶⁰ This requirement includes, among other things, submitting professional references to the CFA Institute.⁶¹ When applying for membership, individuals must also separately apply to a local CFA society, which is a local chapter of the CFA Institute.⁶² CFAs are required to pay annual dues to the CFA Institute (currently \$299).⁶³ Also, CFAs are required to annually make a “Professional Conduct Statement” regarding their compliance with the CFA Institute Code of Ethics and Standards of Professional Conduct.⁶⁴

⁵⁸ See *id.*

⁵⁹ See CFA Institute, *CFA Exam Eligibility Policy*, available at <https://www.cfainstitute.org/about/governance/policies/cfa-exam-eligibility-policy> (last retrieved Sept. 24, 2026). For example, a candidate that fails the Feb. Exam would have to wait until at least Aug. to re-take the Exam.

⁶⁰ The CFA Institute has three levels of membership: “charterholder” (“For distinguished individuals who have demonstrated professional excellence by completing the CFA® Program.”), “professional” (“For experienced investment industry professionals who want to deepen their impact and stay current as the industry evolves.”), and “associate” (“For early career finance professionals who seek a foundation and access point into the investment industry and community.”). See CFA Institute, *Compare membership types*, available at <https://www.cfainstitute.org/membership/types> (last retrieved Sept. 24, 2026).

⁶¹ See CFA Institute, *How to become a CFA charterholder*, available at <https://www.cfainstitute.org/programs/cfa-program/charter> (requiring “two professional references if one of them is an active regular member of the local [CFA] society to which [the candidate is] applying. If none are active members, [the candidate will] need to submit three professional references.”) (last retrieved Sept. 24, 2026).

⁶² See CFA Institute, *Application resources*, available at <https://www.cfainstitute.org/membership/types/application-resources> (“When applying for CFA Institute professional or charterholder membership, you must apply to a local society. The selected society will review your application, and you can choose whether to join after approval. . . . [S]ociety membership is voluntary for CFA Institute professional and charterholder members.”) (last retrieved Sept. 24, 2026). See also CFA Institute, *Find a CFA Society*, available at <https://www.cfainstitute.org/membership/find-cfa-society#sortCriteria=%40titlebasic%20ascending> (last retrieved Sept. 24, 2026).

⁶³ See CFA Institute, *Charterholder membership*, available at <https://www.cfainstitute.org/membership/types/charterholder> (last retrieved Sept. 24, 2026).

⁶⁴ See CFA Institute, *Code of Ethics and Standards of Professional Conduct*, available at https://www.cfainstitute.org/sites/default/files/-/media/documents/ethics-in-practice/code_of_ethics_and_standards_of_professional_conduct_2024.pdf (last retrieved Sept. 24, 2026). The CFA Institute also encourages CFAs to “earn at least 20 [professional learning] credits (including two credits in

5. Public Verification

The CFA Institute has a member directory website that allows the public to search at no cost for current CFA Institute members and does not include individuals whose CFA Institute membership has lapsed, been suspended, or revoked.⁶⁵

B. Rationale for Designation

1. Rule 501(a)(10) Generally and Rule 501(a)(10)(i)

We believe it would be appropriate to designate holding a charter as a CFA in good standing as qualifying an individual for accredited investor status pursuant to Rule 501(a)(10). The addition of holding a charter as a CFA in good standing as a designated professional designation would provide an additional knowledge-based means for individuals to qualify as accredited investors while appropriately balancing investor protection concerns.⁶⁶

Rule 501(a)(10) requires that any professional certifications and designations and other credentials designated as qualifying such holder for accredited investor status be held in good standing.⁶⁷ We believe that the standards set by the CFA Institute for CFAs to maintain their CFA charter (annually pay dues and make the “Professional Conduct Statement”) are an appropriate measure of good standing; and therefore, a person must maintain their CFA status to be considered in good standing.

Rule 501(a)(10)(i) additionally requires that a designated certification, designation, or credential arise out of an examination or series of examinations administered by a self-regulatory

the areas of Standards, Ethics, and Regulations)” annually. *See* CFA Institute, *Professional Learning Program*, available at <https://www.cfainstitute.org/membership/benefits/professional-learning-program> (last retrieved Sept. 24, 2026). The CFA Institute provides CFAs with professional learning resources on a number of topics. *See* CFA Institute, *Resources for professional learning*, available at <https://www.cfainstitute.org/insights/professional-learning#sortCriteria=%40officialz32xdate%20descending> (last retrieved Sept. 24, 2026).

⁶⁵ *See* CFA Institute, *Member Directory Search*, available at <https://directory.cfainstitute.org/>.

⁶⁶ As the Commission stated in connection with adoption of Rule 501(a)(10) “[w]e believe that the amendments we are adopting in [the Accredited Investor Adopting Release] provide appropriate investor protections while facilitating capital formation.” *See* Accredited Investor Adopting Release at 64256. *See also supra* note 20.

⁶⁷ *See supra* note 19.

organization or other industry body or be issued by an accredited educational institution. As described in section II.A.1, the Exam, which is a prerequisite to holding a charter as a CFA in good standing, is designed and administered by the CFA Institute. Although “other industry body” is not defined in Rule 501(a)(10), we believe that the CFA Institute is an industry body as contemplated under Rule 501(a)(10) due to its role in setting best practices for professionals in the fields of financial analysis and investment management.⁶⁸

2. Rules 501(a)(10)(ii) and 501(a)(10)(iii)

Rule 501(a)(10)(ii) states that the Commission will consider whether “[t]he examination or series of examinations is designed to reliably and validly demonstrate an individual’s comprehension and sophistication in the areas of securities and investing.” Rule 501(a)(10)(iii) states the Commission will consider whether “[p]ersons obtaining [a] certification, designation, or credential [designated under Rule 501(a)(10)] can reasonably be expected to have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of a prospective investment.”

We believe that passage of the Exam satisfies the objectives of Rule 501(a)(10)(ii). We further believe that passage of the Exam combined with the satisfaction of the requirements to obtain a CFA charter would satisfy the objectives of Rule 501(a)(10)(iii). As described in more detail in section II.A.3.i, the topics covered by the three levels of the Exam are designed to evaluate a person’s knowledge and skill in the areas of investment analysis and portfolio management. Levels I and II test knowledge and situational application of various terms, concepts, and formulas that are foundational to the investment industry, including financial statement analysis, equity investments, fixed income instruments, and portfolio management.⁶⁹ The Level III exam tests knowledge and skills applied to real-world scenarios, with

⁶⁸ See CFA Institute, *Our Purpose*, available at <https://www.cfainstitute.org/about/set-the-standard> (last retrieved Sept. 24, 2026).

⁶⁹ See *supra* notes 49-50.

approximately 65 to 70 percent of the exam focused on testing asset allocation, portfolio construction, performance measurement, and derivatives and risk management.⁷⁰ The remainder of the Level III exam tests the CFA candidate's knowledge related to the specialized pathway that they have selected, which includes pathways for private wealth, private markets, and portfolio management. Additionally, in connection with each of Level I, II, and III, the CFA candidate is required to complete a "Practice Skills Module," which, while not scored, is required and intended to teach in-depth practical application of specialized knowledge and skills.⁷¹

As described in more detail in section II.A.2, in addition to the passage of the Exam, in order to be eligible to obtain a CFA charter, the CFA candidate must have the required work experience. We therefore believe that in obtaining a CFA charter, which requires attaining and demonstrating the knowledge and skills tested by the Exam, and obtaining the required work experience, such persons will have demonstrated that they have the comprehension and sophistication to evaluate the merits and risks of investment opportunities, and ultimately, appropriately allocate capital based on their individual circumstances, and otherwise make appropriately informed decisions regarding their financial interests.⁷²

3. Rule 501(a)(10)(iv)

Rule 501(a)(10)(iv) states the Commission will consider whether "[a]n indication that an individual holds the certification or designation is either made publicly available by the relevant self-regulatory organization or other industry body or is otherwise independently verifiable." As described in section II.A.5, the public may use the website maintained by the CFA Institute to verify whether an individual is a CFA in good standing.

⁷⁰ See *supra* note 53. The remainder of the Level III exam tests the CFA candidate's knowledge related to the specialized pathway that they have selected.

⁷¹ See *supra* note 55.

⁷² See Accredited Investor Adopting Release at 64241.

C. Economic Considerations

As discussed above, we are considering whether to add holding a charter as a CFA in good standing to the list of designated professional certifications, designations, or credentials that would qualify natural persons for accredited investor status under Rule 501(a)(10). Thus, individuals who hold such a designation would qualify as accredited investors and would be able to participate in investment opportunities that may not otherwise have been available to them, unless they were already accredited investors based on another criterion. This change could also impact issuers seeking to raise capital.⁷³ The designation of holders of charters as a CFA in good standing as accredited investors would have economic effects on investors and issuers that would be consistent with those the Commission discussed in creating the Rule 501(a)(10) designation process in the Accredited Investor Adopting Release.⁷⁴

It is difficult to quantify how many additional natural persons would qualify as accredited investors because we cannot gauge how many CFAs⁷⁵ already qualify as accredited investors based on one or more of the other eligibility criteria in Rule 501(a), such as those for net worth, income, and other qualifying professional certifications, designations, or credentials.⁷⁶ Further, it is unclear to what extent any newly eligible accredited investors will choose to participate in exempt offerings.

⁷³ To the extent that the accredited investor definition is used outside of the Federal securities laws (such as for non-Federal securities laws that incorporate the accredited investor definition), the designation of additional credentials might have indirect economic effects.

⁷⁴ See Accredited Investor Adopting Release at section VI.

⁷⁵ According to the CFA Institute, there are currently approximately 194,000 CFAs worldwide. See *supra* note 46 and accompanying text.

⁷⁶ For instance, some investors that would qualify based on holding a charter as a CFA in good standing may already qualify as accredited investors based on income or net worth criteria in Rule 501. Such individuals also may hold other licenses or credentials that are already designated, or that we are potentially designating, under Rule 501(a)(10). See *supra* note 39. In that scenario, the CFA category may not contribute to a meaningful net expansion of the pool of accredited investors. According to the CFA Institute website, the “average salary” of a CFA is \$180,000. See *Make the Right Choice with the CFA Program*, CFA INST., <https://www.cfainstitute.org/programs/cfa-program/careers/credential-comparison> (last retrieved Sept. 24, 2026). In its comment letter from July 26, 2026, the CFA Institute cites total compensation figures as well, including median total compensation of \$185,000 for global members and \$250,000 for U.S. members, and a 25%-75% range of \$116,000–\$305,000 for global members and \$174,000–\$399,000 for U.S. members. The CFA Institute states that these data suggest that “[t]he median member in the US would qualify as an accredited investor based on the income threshold.”

Issuers are expected to benefit from the expansion of the accredited investor definition under Rule 501(a)(10) through potentially greater capital formation, lower cost of capital, and greater efficiency in raising capital due to an expanded pool of accredited investors (especially for issuers that are small or do not have access to a network of institutional accredited investors or persons with the required net worth or income to qualify as accredited investors).⁷⁷ This change may also benefit issuers in exempt offerings by making it easier and less costly to find and verify accredited investors (*i.e.*, by reducing search costs).⁷⁸ As discussed in section II.A.5, the status as a CFA in good standing could be easily independently verified, which would directly reduce issuers' costs of confirming accredited investor eligibility, relative to verifying income or net worth.⁷⁹ This is expected to benefit issuers and intermediaries in exempt offerings where only accredited investors may be purchasers (such as Rule 506(c)) or where some provisions, such as limits on the number of purchasers or investment limits, are dependent on accredited investor status (e.g., Rule 506(b), Regulation A, and Regulation Crowdfunding). However, to the extent that issuers would have otherwise pursued additional financing from accredited investors meeting the existing definition or engaged in an offering that is not dependent on accredited investor participation (such as a registered securities offering), the amount of additional capital formation may be limited. Still, issuers may benefit from greater flexibility in how they may raise capital, which could result in some cost savings and a lower cost of capital. For instance, issuers undertaking a Rule 506(b) offering may incur lower costs if all of their purchasers are accredited investors as compared to if not all of their purchasers are accredited investors, as the rule would not require them to furnish the financial and other information prescribed by Rule 502(b) for offerings involving non-accredited investors.⁸⁰ For

⁷⁷ See Accredited Investor Adopting Release at 64264-65.

⁷⁸ See Accredited Investor Adopting Release at 64264.

⁷⁹ See *supra* note 65 and accompanying text. Thus, even if some CFAs already meet other accredited investor eligibility criteria, the overall costs of verification of accredited investor status may decrease with the designation of this credential under Rule 501(a)(10).

⁸⁰ See 17 CFR 230.502(b).

issuers in Rule 506(c) offerings, verification of accredited investor status based on a credential that is easier to confirm may be less costly than verification of other prongs of the accredited investor definition (such as financial eligibility), reducing their transaction costs.⁸¹ For issuers that undertake a Tier 2 Regulation A or Regulation Crowdfunding offering, both of which are subject to investment limits for non-accredited investors, having more accredited investors in the offering enables higher investment amounts per investor, which may decrease all-in offering costs.⁸² Issuers choosing among different exempt offering alternatives may choose a Regulation D offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a Regulation A or Regulation Crowdfunding offering, potentially lowering their compliance, intermediary, and marketing costs-per-dollar raised. Some issuers choosing between an exempt and a registered offering may choose an exempt offering if they have enough prospective investors that meet the accredited investor definition, instead of pursuing a registered offering.

For investors, the designation of this credential as a means of becoming an accredited investor could enable more natural persons who would not otherwise meet one of the eligibility criteria in Rule 501(a), such as the income and net worth criteria, to access a broader range of investment options, potentially enhancing their ability to diversify and optimize portfolio allocations.⁸³

However, these investment options generally come without the additional disclosure provided by registration under the Securities Act and could entail greater costs related to

⁸¹ See 17 CFR 230.506(c)(1) through 230.506(c)(2).

⁸² See 17 CFR 230.251(d)(2)(i)(C); 17 CFR 227.100(a)(2).

⁸³ As noted above, the extent of overlap between CFAs and the investors that meet the existing accredited investor criteria is unclear. CFAs who are earlier in their careers, employed at smaller firms, or located in lower cost-of-living geographic areas, and thus may on average have lower incomes, may be most affected by the potential designation. Some investors that already meet income or net worth criteria may find it is easier or less costly to demonstrate their accredited investor status under Rule 501(a)(10).

illiquidity,⁸⁴ agency costs (i.e., costs arising from conflicts of interest between investors and managers), adverse selection, and business risk, as compared to investments in the public capital markets. Individual investors' comprehension and sophistication in the areas of securities and investing, and knowledge and experience in financial and business matters, as reflected in having a professional certification or designation or credential under Rule 501(a)(10), increases the likelihood that such individual investors would be capable of evaluating the merits and risks of a prospective investment in an exempt offering and managing such risks. For example, such individuals may be more likely to consider the size of any single investment relative to their overall portfolio and diversify their portfolio.⁸⁵ It is unclear whether additional investment opportunities would improve portfolio efficiency for newly eligible accredited investors.

While individuals incur costs to prepare for and take the Exam, and obtain and maintain a charter as a CFA in good standing, we do not expect there to be incremental costs of a CFA in good standing being designated as an accredited investor designation under Rule 501(a)(10), since we expect individuals to continue to pursue and maintain the CFA charter chiefly for professional purposes, rather than to qualify as accredited investors.

The described effects, including both the benefits and the costs to issuers and investors, may be modest in magnitude, as discussed in detail in the Accredited Investor Adopting Release. First, it is possible that a number of the individuals who would qualify as accredited investors under the potential designation may already qualify as accredited investors based on one or more

⁸⁴ While securities sold in an exempt offering are generally illiquid, the introduction of a larger pool of investors that become eligible as accredited investors through holding a charter as a CFA in good standing could potentially (at the margin) create impetus for additional secondary market liquidity in these securities. In addition, the expansion of the accredited investor pool also would potentially increase the feasibility of resales under section 4(a)(7) of the Securities Act [15 U.S.C. 77d(a)(7)]. However, if some newly eligible investors have fewer financial resources (see *infra* note 85), they may be less willing to hold restricted securities over long holding periods, and especially, seek to unload positions during downturns.

⁸⁵ As stated in the Accredited Investor Adopting Release, while certain of these individuals may have fewer financial resources and, as a result, be less able to bear the financial risk of private investments, we believe their professional credentials and experience should enable these investors to assess investment opportunities, appropriately allocate capital based on their individual circumstances, including whether to reallocate investment capital between private investments and other equivalent-sized investments, and otherwise make appropriately informed decisions regarding their financial interests, including their ability to bear the financial risk. See Accredited Investor Adopting Release at 64241.

of the criteria in Rule 501(a).⁸⁶ Second, because any newly eligible individuals may have income and net worth below the currently required thresholds for individual accredited investors, the increase in the capital supply from an individual newly eligible accredited investor would likely be low, and the collective impact would depend on the size of any increase in the number of individual accredited investors.⁸⁷ Third, the effects may be more modest to the extent that some of the newly eligible natural persons may end up not participating in exempt offerings.⁸⁸ Fourth, it is possible that issuers may choose to offer securities to institutional accredited investors, or apply investment minimums (perhaps in an effort to simplify their capitalization table), such that any individual accredited investors participating in exempt offerings are more likely to be those who meet the net worth or income criteria in Rule 501(a). Fifth, any specific effects of this potential change to the accredited investor pool would be partly diluted to the extent that other Commission actions designating other credentials result in expanding the pool of natural persons qualifying as accredited investors based on multiple criteria.

III. NOTICE

For the reasons set forth herein, we believe that holding a charter as a CFA in good standing would meet the requirements set forth in Rule 501(a)(10). Accordingly, we believe it is appropriate to designate holding a charter as a CFA in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10). We are issuing this notice and providing an opportunity for public comment on such a potential designation. We are particularly

⁸⁶ See Accredited Investor Adopting Release at 64262.

⁸⁷ *Id.*

⁸⁸ See, e.g., Katherine Carman et al., *Exploring Accredited Investors and Private Market Securities Ownership* 18 tbl. 6 (OIAID, Working Paper No. 1, June 2025), available at <https://www.sec.gov/files/exploring-accredited-investors-june-2025.pdf> (reporting, based on a recent investor survey, that, 14.4% of accredited investors and 4.7% of non-accredited investors, respectively, indicate interest in investing in new or private companies, and that 4.3% of accredited investors and 1.1% of non-accredited investors, respectively, report owning a “private fund or offering”). See also Katherine Carman & Alycia Chin, *Accredited Investors in the US Population*, 9 FIN. PLAN. REV. e70023 (2026).

interested in comments on whether we should designate holding a charter as a CFA in good standing as qualifying natural persons for accredited investor status pursuant to Rule 501(a)(10), as discussed in this notice, and whether such designation could raise investor protection concerns unique to persons who would be qualified under such designation.

By the Commission.

Dated: September 30, 2026.

Vanessa A. Countryman,

Secretary.

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