

# Union Calendar No. 95

119TH CONGRESS  
1ST SESSION

# H. R. 3382

**[Report No. 119–125]**

To require the Securities and Exchange Commission to carry out a study and rulemaking on the definition of the term “small entity” under the securities laws for purposes of chapter 6 of title 5, United States Code, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2025

Mrs. WAGNER (for herself, Mr. TORRES of New York, Mr. CASTEN, Mr. DAVID SCOTT of Georgia, and Mr. SESSIONS) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 3, 2025

Additional sponsors: Mr. HIMES, Mr. VINDMAN, and Mr. LAWLER

JUNE 3, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 14, 2025]

# **A BILL**

To require the Securities and Exchange Commission to carry out a study and rulemaking on the definition of the term “small entity” under the securities laws for purposes of chapter 6 of title 5, United States Code, 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 “Small Entity Update*  
 5       *Act”.*

6       **SEC. 2. STUDIES, REPORTS, AND RULES REGARDING SMALL**  
 7               **ENTITIES.**

8       (a) *DEFINITIONS.—In this section—*

9               (1) *the term “Commission” means the Securities*  
 10       *and Exchange Commission; and*

11              (2) *the term “small entity”—*

12                      (A) *has the meaning given the term in sec-*  
 13       *tion 601 of title 5, United States Code, with re-*  
 14       *spect to the activities of the Commission; and*

15                      (B) *includes any definition established by*  
 16       *the Commission of the term “small business”,*  
 17       *“small organization”, “small governmental juris-*  
 18       *diction”, or “small entity” under paragraph (3),*  
 19       *(4), (5), or (6), respectively, of section 601 of*  
 20       *title 5, United States Code, with respect to the*  
 21       *activities of the Commission.*

22       (b) *STUDIES AND REPORTS.—Not later than 1 year*  
 23       *after the date of enactment of this Act, and again 5 years*  
 24       *thereafter, the Commission shall—*

1           (1) *conduct a study of the definition of the term*  
2           *“small entity” with respect to the activities of the*  
3           *Commission for the purposes of chapter 6 of title 5,*  
4           *United States Code, which shall consider—*

5                     *(A) the extent to which the definition of the*  
6                     *term “small entity”, as in effect during the pe-*  
7                     *riod in which the study is conducted, aligns with*  
8                     *the findings and declarations made under section*  
9                     *2(a) of the Regulatory Flexibility Act (5 U.S.C.*  
10                    *601 note);*

11                    *(B) the amount by which financial markets*  
12                    *in the United States have grown since the last*  
13                    *time the Commission amended the definition of*  
14                    *the term “small entity”, if applicable; and*

15                    *(C) how the Commission should define the*  
16                    *term “small entity” to ensure that a meaningful*  
17                    *number of entities would fall under that defini-*  
18                    *tion; and*

19           (2) *submit to Congress a report that includes—*

20                    *(A) the results of the applicable study con-*  
21                    *ducted under paragraph (1); and*

22                    *(B) specific and detailed recommendations*  
23                    *on the ways in which the Commission could*  
24                    *amend the definition of the term “small entity”*  
25                    *to—*

1                   (i) be consistent with the results de-  
2                   scribed in subparagraph (A); and

3                   (ii) expand the number of entities cov-  
4                   ered by such definition.

5           (c) *RULEMAKING.*—Concurrently with, or after the  
6 completion of, each study required under subsection (b), the  
7 Commission shall, subject to public notice and comment, re-  
8 vise the rules of the Commission consistent with the results  
9 of such study.

10          (d) *INFLATION ADJUSTMENTS.*—After the Commission  
11 issued the final rule revisions required under subsection (c),  
12 and every 5 years thereafter, the Commission shall adjust  
13 any dollar figures under the definition of small entity estab-  
14 lished by the Commission to reflect the change in the Con-  
15 sumer Price Index for All Urban Consumers published by  
16 the Bureau of Labor Statistics of the Department of Labor.

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