

\$500,000 annually, totaling \$1 million over the 2025–2030 period for administrative costs; any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILIP L. SWAGEL,
Director, Congressional Budget Office.

Mr. HILL of Arkansas. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. NUNN), the author of this bill.

Mr. NUNN of Iowa. Mr. Speaker, I thank Chairman HILL for his leadership on this, as well as Ranking Member WATERS.

I rise today in strong support of H.R. 2384, the Financial Technology Protection Act of 2025, a bill that I am honored to both lead and author that was created out of a vast network of partnership on both sides of the aisle.

Mr. Speaker, as you know, this Congress cemented the United States as the crypto capital of the world. The leadership of Members of this Chamber on both sides took meaningful steps to lay a foundation for a robust digital asset framework, one that fosters innovation, creates clarity, and protects consumers.

Now we can start making sure that this foundation is built in a safe and secure way for every American. We build directly on the momentum and the strength of our national security posture at this very critical time.

We all know that blockchain technology and digital assets are here to stay, and it is good that they are here in America. The question is not whether this technology will shape the future. It is whether the U.S. or other competitors, particularly those in China and the Chinese Communist Party, will write the rules of the road for the future.

As a counterintelligence officer, I have seen firsthand how terrorists and hostile regimes weaponize technology for illicit finances and cybercrime. That includes the use of anonymous digital platforms to launder money, to fund terrorism, and to bypass the very sanctions this Chamber has helped lead.

However, the transparency and traceability of blockchain enhances our law enforcement's ability to intercept these threats, recover stolen funds, and deliver justice for everyday Americans.

In fact, just weeks ago, the U.S. Department of Justice used blockchain analytics to intercept over a quarter of a million dollars intended to go to deadly Hamas terrorists who would have used it to threaten U.S. forces in the region.

Last year, the United States, working with our international partners, utilized blockchain technology to help dismantle a Russian money laundering scheme that seized more than \$22 million in illicit funds, many of those taken from Americans right here at home.

This is a threat to America's very national security. From dollar-backed digital assets, we have the ability to help not only defend our men and women serving on the front line from illicit actors who would use weapons bought with this technology to threaten them, to the very mothers, fathers, and grandparents who are being taken advantage of by foreign actors to steal their money to fund this type of threat.

Mr. Speaker, this bipartisan bill establishes a working group, a task force of sorts, of key Federal agencies that include our intelligence experts, private organizations, and private sector leaders who are experienced in this, all focused on combating terrorism and illicit finance on digital platforms.

This team is helping to develop the legislative technology infusion of critical information to help establish the best techniques, tactics, and procedure to be able to stop this at its very inception.

By preventing money laundering and addressing national security risks, we are able to help stop the illicit finance activities that do real harm to the United States.

By passing this bill, we strengthen national security, protect digital assets, and ensure the next generation of financial and technological innovation is created right here in the U.S.

I thank Chairman HILL for his leadership and long vision in making this happen. I particularly express my gratitude to my Democratic colleague Representative JIM HIMES, who is also the ranking member on the House Intelligence Committee, the HPSCI, and who knows firsthand the threats that are posed. I also thank Senator TED BUDD, who is championing this effort in the Senate.

Together, we have worked on this vital legislation for empowering our government, as well as our private sector leaders to be the vanguard in protecting our Nation.

□ 1750

Ms. WATERS. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, cybercriminal syndicates, supported by North Korea and rogue states like Russia, are already exploiting financial technologies to evade sanctions, fund war and terrorism, and destabilize democracies. Ignoring these threats is not an option.

This working group is an initial robust approach to gain an understanding of how to address these terrorism threats and prepare to meet and predict them.

I thank Representatives NUNN and HIMES for introducing this bill, and I, again, urge my colleagues to support it.

Mr. Speaker, I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I rise again in strong support of this bill. Mr. NUNN is doing

good work here, and I appreciate his leadership as a former counterintelligence officer, someone who has brought that expertise to his work here in the House.

I appreciate my friend from Connecticut, our distinguished ranking member of the House Permanent Select Committee on Intelligence, lending his expertise to this bill. For years we have talked about how do we fuse private-sector information, like in our financial services sector, with law enforcement to come up with better strategies to counter illicit finance, whether it is in trade-based money laundering, the use of cash, hawala, now digital assets, or just the plain old banking system. So I thank my friend from Iowa and urge strong bipartisan support on both sides of the aisle.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 2384, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MIDDLE MARKET IPO COST ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3395) to require the Comptroller General of the United States to carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Middle Market IPO Cost Act".

SEC. 2. STUDY ON IPO FEES.

(a) *STUDY.*—The Comptroller General of the United States, in consultation with the Securities and Exchange Commission and the Financial Industry Regulatory Authority, shall carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings ("IPOs"). In carrying out such study, the Comptroller General shall—

(1) *consider the direct and indirect costs of an IPO, including—*

(A) *fees of accountants, underwriters, and any other outside advisors with respect to the IPO;*

(B) *compliance with Federal and State securities laws at the time of the IPO; and*

(C) *such other IPO-related costs as the Comptroller General may consider;*

(2) *compare and analyze the costs of an IPO with the costs of obtaining alternative sources of financing and of liquidity;*

(3) *consider the impact of such costs on capital formation;*

(4) *analyze the impact of these costs on the availability of public securities of small- and medium-sized companies to retail investors; and*

(5) analyze trends in IPOs over a time period the Comptroller General determines is appropriate to analyze IPO pricing practices, considering—

(A) the number of IPOs;
(B) how costs for IPOs have evolved over time for underwriters, investment advisory firms, and other professions for services in connection with an IPO;

(C) the number of brokers and dealers active in underwriting IPOs;

(D) the different types of services that underwriters and related persons provide before and after a small- or medium-sized company IPO and the factors impacting IPOs costs;

(E) changes in the costs and availability of investment research for small- and medium-sized companies; and

(F) the impacts of litigation and its costs on being a public company.

(b) *REPORT*.—Not later than the end of the 360-day period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall issue a report to the Congress containing all findings and determinations made in carrying out the study required under subsection (a) and any administrative or legislative recommendations the Comptroller General may have.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. HILL) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3395, the Middle Market IPO Cost Act. Currently, companies have two options for raising capital: an initial public offering, an IPO, or a private offering. Fewer companies are choosing to take the IPO path because of the up-front costs of going public, as well as the high operating costs public companies experience due to SEC reporting rules.

Before a company files for an IPO, they often spend tens of millions of dollars to gather and compile information to submit to the SEC. These mandatory information requirements exclude or dissuade many companies from even considering an initial public offering.

The study required by Mr. HIMES' bill will help Congress and the market better understand the costs associated with small- and medium-sized companies going public through the IPO process.

I urge all my colleagues to join me in supporting this bill, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill requires the SEC to study the costs encountered by

small- and medium-sized companies when undertaking the initial public offering of their securities to the public, otherwise known as IPO, as well as certain other offerings that are exempt from SEC registration.

When going public, companies tend to hire underwriters, like investment banks, and other professionals, like attorneys and accountants, to help prepare the IPO. Underwriters serving as intermediaries between companies and prospective investors typically receive a set percentage of the IPO price as compensation for their work.

Large companies have in recent years been able to negotiate lower percentages for this process, which reduces their overall fee. At the same time, smaller companies have continued to pay the same historic percentage for this service.

Simply put, this bill sheds light on how much small- and medium-sized companies are paying for their underwriting fees, which will allow these companies to negotiate lower prices.

Mr. Speaker, I urge all of my colleagues to support my friend from Connecticut (Mr. HIMES) commonsense measure. I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I include in the RECORD the CBO estimate for this bill.

H.R. 3395, MIDDLE MARKET IPO COST ACT, AS REPORTED BY THE HOUSE COMMITTEE ON FINANCIAL SERVICES ON JUNE 3, 2025

	By fiscal year, millions of dollars		
	2025	2025–2030	2025–2035
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (–) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays) ..	*	1	**

* = between zero and \$500,000.
** = not estimated.

Increases net direct spending in any of the four consecutive 10-year periods beginning in 2036? No.

Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2036? No.

Statutory pay-as-you-go procedures apply? No.

Mandate Effects:
Contains intergovernmental mandate? No.
Contains private-sector mandate? No.

H.R. 3395 would require the Government Accountability Office (GAO), in consultation with the Securities and Exchange Commission and the Financial Industry Regulatory Authority, to study and report to the Congress within one year of enactment on the costs small- and medium-sized companies incur when conducting initial public offerings (IPOs). An IPO is a process where a private company offers shares to the public for the first time, making it a publicly traded company.

Based on the cost of similar activities, CBO estimates that implementing H.R. 3395 would cost \$1 million over the 2025–2026 period. Any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

Mr. HILL of Arkansas. Mr. Speaker, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. HIMES), the ranking member of the Permanent Select Committee on Intelligence and the sponsor of this bill.

Mr. HIMES. Mr. Speaker, I offer a big thank you to the gentlewoman from California (Ms. WATERS), the ranking member, and to the gentleman from Arkansas (Mr. HILL), my good friend, for their support of this bill.

I just want to elaborate for a minute on what I think the need is for this bill. This grew out of the work we did many, many years ago on the JOBS Act, in which we observed that the regulatory expenses faced by a company seeking to go public were roughly \$2 million to \$4 million in size.

It is also true that a small IPO, a medium-sized IPO, anything up to about \$200 million, is subject almost always to a 7 percent gross spread. That is 7 percent of the proceeds, or in the case of a \$200 million offering, \$14 million. On a \$150 million offering, it is \$10 million, well more than twice the regulatory cost that we identified in working on the JOBS Act.

What is very strange about that 7 percent fee is that, regardless of what period of time you examine, IPOs from about \$30 million up to about \$200 million are always subject to a 7 percent fee. Now, all of us who observe markets know that that is odd behavior in what should be a competitive market.

This is money, of course, that goes to the investment banks that underwrite these IPOs. I know this because I spent many years working in those investment banks.

The bill here simply says, having done the work that we did on the JOBS Act, what can we do to examine the underlying market forces or nonmarket forces creating this 7 percent gross spread and costs of many, many millions of dollars for companies when they are small and capital is at a premium.

This study, I think, would illustrate some things that would allow us to do even better than we did in the JOBS Act and make it that much more possible, maybe even probable for companies to seek capital in our public markets.

Mr. Speaker, I thank once again the chairman and the ranking member of the committee for their support.

Ms. WATERS. Mr. Speaker, I yield myself the balance of my time to close.

I support Mr. HIMES' bill, which will shed light on how much small- and medium-sized companies are paying for their underwriting fees to go public. I hope it will finally put pressure on the SEC to address this important issue for smaller companies.

Mr. Speaker, I again urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I urge a "yes" vote from both sides of

the aisle, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 3395, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1800

ALIGNING SEC REGULATIONS FOR THE WORLD BANK'S INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1764) to accord securities issued by the International Development Association the same exemption from the securities laws that applies to the securities of other multilateral development banks in which the United States is a member, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aligning SEC Regulations for the World Bank's International Development Association Act".

SEC. 2. EXEMPTION OF SECURITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION FROM THE SECURITIES LAWS.

(a) IN GENERAL.—The International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end the following:

"SEC. 33. EXEMPTION OF SECURITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION FROM THE SECURITIES LAWS.

"(a) EXEMPTION FROM SECURITIES LAWS; REPORTS TO SECURITIES AND EXCHANGE COMMISSION.—Any securities issued by the Association (including any guaranty by the Association, whether or not limited in scope) and any securities guaranteed by the Association as to both principal and interest shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) and section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)). The Association shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Association and its operations and necessary in the public interest or for the protection of investors.

"(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION TO SUSPEND EXEMPTION; REPORTS TO CONGRESS.—The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) of this section at any time as to any or all securities issued or guaranteed by the Association during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect 30 days after the date of enactment of this Act.

(2) EXCEPTION.—Notwithstanding paragraph (1), the amendment made by subsection (a) shall not take effect if, before the effective date described under paragraph (1), the Secretary of the Treasury reports to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that the International Development Association is providing financial assistance to any country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979, section 620A of the Foreign Assistance Act of 1961, or section 40 of the Arms Export Control Act, to be a government that has repeatedly provided support for acts of international terrorism.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. HILL) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1764, the Aligning SEC Regulations for the World Bank's International Development Association Act, the bill offered by the gentlewoman from California (Ms. WATERS).

Mr. Speaker, this legislation classifies securities issued by the IDA as exempted securities, subject to appropriate reporting requirements as determined by the Securities and Exchange Commission.

This change would place the IDA on equal regulatory footing with the other World Bank divisions such as the Inter-American Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the African Development Bank.

Prior to 2018, the IDA did not issue debt in the securities markets. Its funding came primarily from donor contributions and repayments on past loans.

As the IDA evolves to meet the needs of the world's poorest nations, it has entered the capital markets to expand its resources and its impact.

It is only logical and fair that its securities receive the same exempted status consistent with previous treatment of multilateral development bank securities.

Supporting IDA's access to efficient financing would reflect the United States' leadership in global development and our commitment to the world's most vulnerable populations.

Ms. WATERS' bill is bipartisan. It is practical. It is overdue. I urge all of my colleagues to join me in supporting this bill.

Mr. Speaker, I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of my bill, H.R. 1764, the Aligning SEC Regulations for the World Bank's International Development Act.

The International Development Association, IDA, is an example of both the value of our multilateral institutions and America's leadership in these organizations. The IDA is the World Bank's lending arm, and it is one of the most effective tools we have to combat poverty and instability worldwide.

The IDA offers grants and low-cost or no-cost lending to help the poorest nations to invest in their futures, improve the lives of their citizens, and create more prosperous communities for the long term.

The United States, as the largest donor to the IDA, helps to direct where and how these funds are used. My bill would exempt IDA securities from Securities and Exchange Commission regulations, just as other World Bank arms have been exempt for decades. This ensures that the IDA can continue raising capital efficiently, allowing it to direct resources that are needed the most.

This is needed because in April 2018, the IDA began issuing securities on the bond market which are also distributed in the United States. These securities are not exempted from the SEC's registration and regulatory framework.

Congress passed legislation in 1945 and 1955, exempting other arms of the World Bank, including the International Bank for Reconstruction and Development and the International Finance Corporation, from SEC's regulations.

Importantly, this gave the SEC the ability to recall these exemptions if the SEC finds that they are harmful to U.S. investors. Moreover, many other multilateral development banks of which the U.S. is a member are exempt from the SEC regulations.

SEC exemptions for these securities are warranted as they are backed by the commitments, or equities, of the largest economies of the world including the United States.

These securities tend to be AAA rated which is the highest investment grade, making them safe investments for all investors.

Harmonizing the exemption regime available for MDBs with that of the IDA would enhance the IDA's ability to raise capital in the United States without weakening investor protection. In turn, it will be able to use these proceeds to provide increased funding for the world's poorest countries. Importantly, too, the bill retains the SEC's ability to revoke these exemptions should it find them harmful to U.S. investors.