conductors and why States across the country are passing new laws to promote their adoption.

I am proud to actually represent two of the largest manufacturers of advanced transmission conductors in my district: CTC Global and TS Conductor. These companies are extraordinary examples of American innovation and manufacturing which is helping pioneer the grid of the future and create high-skilled domestic jobs in the process.

Mr. Chairman, I urge Members to support my amendment, and I reserve the balance of my time.

Mr. GUTHRIE. Mr. Chairman, I claim the time in opposition to the amendment, even though I am not opposed to it.

The CHAIR. Without objection, the gentleman from Kentucky is recognized for 5 minutes.

There was no objection.

Mr. GUTHRIE. Mr. Chair, I thank my friend from California for offering this amendment.

This amendment would incorporate advanced transmission technologies into the supply chain considerations that the Department of Energy would also need to assess, as part of their responsibilities in this bill. In certain circumstances, advanced transmission technologies can help get more resources out of our current system by expanding the grid's electric load-carrying capacity.

However, these are not one-size-fits-all technology, and there are important engineering complexities to consider to ensure the system operates efficiently. We must ensure they are implemented, when it is appropriate, and cost-effective so we can secure the grid without burdening ratepayers with unnecessary investments.

Mr. Chair, I urge my colleagues to support this amendment, and I yield back the balance of my time.

Mr. MIN. Mr. Chair, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from California (Mr. MIN).

The amendment was agreed to.

AMENDMENT NO. 5 OFFERED BY MR. SELF

The CHAIR. It is now in order to consider amendment No. 5 printed in part C of House Report 119–399.

Mr. SELF. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 4, line 6, insert ‘‘, deliver, and install’’ after ‘‘manufacture’’.

The CHAIR. Pursuant to House Resolution 936, the gentleman from Texas (Mr. SELF) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. SELF. Mr. Chairman, I rise in support of my amendment to H.R. 3638. The bill requires DOE to assess supply chain vulnerabilities for the generation and transmission of electricity, including barriers to expanding capacity here in the United States.

My amendment makes a simple clarification. It ensures that DOE evaluates barriers not only to manufacturing components, but also to their delivery and installation. In the real world, grid reliability depends on whether critical equipment can actually reach the job site and be installed on time.

If we want a serious assessment and serious recommendations, then we cannot stop at the factory gate.

Mr. Chairman, I urge adoption of the amendment, and I reserve the balance of my time.

Mr. PALLONE. Mr. Chairman, I claim the time in opposition to the amendment, even though I am not opposed to it.

The CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. PALLONE. Mr. Chairman, this amendment recognizes that it is not enough for us to manufacture critical grid and supply chain components, they must be able to be actually delivered and installed on the grid. This is a worthwhile addition to the bill.

However, I lament that while my colleagues on the other side of the aisle can recognize the equal importance of manufacturing supply chain components and transporting and delivering them, they are unable to recognize the same when it comes to electricity. To do anyone any good, electricity must not only be generated, it must be carried to its destination on the grid.

However, House Republicans, especially those on the Energy and Commerce Committee, have been completely unwilling to acknowledge the role that expanding the grid must play in any serious, bipartisan conversation on permitting.

The bills this week and next week aren't a serious attempt at permitting reform, far from it. One of them tells us that, despite Democrats talking for the last 3 years about the need to strengthen the grid in the face of rising demand, Republicans have still failed to acknowledge that need or that reality for that matter.

Again, I think this is a bad bill. I think the Department of Energy has not made clear to us that it has the resources or the ability to carry out this bill. I think that instead of trying to get the DOE to maybe write us a report telling us what we already know, we should focus on concrete actions that could shore up our supply chain: restoring the Office of Manufacturing and Energy Supply Chains, and restoring the incentives to build in America that were killed by the big, ugly bill. All these things are really what we need to do.

However, Republicans are not willing to do that, so I don't know what else to say.

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

Mr. SELF. Mr. Chairman, I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. SELF).

The amendment was agreed to.

The CHAIR. There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MCDOWELL) having assumed the chair, Mr. MOYLAN, Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3638) to direct the Secretary of Energy to prepare periodic assessments and submit reports on the supply chain for the generation and transmission of electricity, and for other purposes, and, pursuant to House Resolution 936, he reported the bill, as amended by that resolution, back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment reported from the Committee of the Whole? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PALLONE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

## INCREASING INVESTOR OPPORTUNITIES ACT

GENERAL LEAVE

Mrs. WAGNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 936 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 3383.

The Chair appoints the gentleman from Guam (Mr. MOYLAN) to preside over the Committee of the Whole.

□ 1944

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3383) to amend the Investment Company Act of 1940 with respect to the authority of closed-end companies to invest in private funds, with Mr. MOYLAN in the chair.

The CHAIR. The House is in the Committee of the Whole House on the state of the Union for the consideration of H.R. 3383, which the Clerk will report by title.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall be confined to the bill and amendments specified in section 2 of House Resolution 936 and shall not exceed 1 hour equally divided and controlled by the chair and ranking minority member on the Committee on Financial Services or their respective designees.

The gentlewoman from Missouri (Mrs. WAGNER) and the gentlewoman from California (Ms. WATERS) each will control 30 minutes.

The Chair recognizes the gentlewoman from Missouri (Mrs. WAGNER).

Mrs. WAGNER. Mr. Chair, I yield myself such time as I may consume.

Mr. Chair, I rise in support of H.R. 3383, the Incentivizing New Ventures and Economic Strength Through Capital Formation Act, the INVEST Act.

America's economic strength has always come from our builders, inventors, and risk takers. We are a nation of startups born in garages, family businesses turned into thriving enterprises, and Dreamers who take an idea and make it real.

Today, too many of those dreams face serious obstacles. Right now, three areas—Silicon Valley, Boston, and New York—account for nearly three quarters of all venture capital funding. Entrepreneurs across the country are told to move to a coast or move on.

Meanwhile, mountains of red tape are stifling growth. When a founder spends more time navigating Washington rules than creating jobs, something is broken. We cannot win the next century with a playbook written in the last one. The INVEST Act is our course correction, and it builds on proven success.

More than a decade ago, a divided Congress came together to pass the JOBS Act. It worked. Companies that went public using JOBS Act provisions expanded their workforce by an average of 150 percent in just 3 years.

This legislation that we are talking about right now, the INVEST Act, takes the next step. Our Capital Markets Subcommittee heard from entrepreneurs and small businesses that can't access capital in their own communities, Main Street investors with deep expertise who are locked out of opportunities just because they aren't wealthy enough, and emerging fund managers who confirmed that outdated rules are holding America back.

These aren't abstract problems. They are costing us jobs, innovation, and economic growth in every district that we represent.

The INVEST Act delivers targeted solutions. It revises the ''accredited investor'' definition to recognize that financial sophistication comes from what you know, not just from how much you earn.

It also reduces the regulatory burden that discourages companies from going public. Small businesses will find it easier to raise capital locally so that economic success can be shared within communities, not just concentrated on the coasts.

This is bipartisan, pragmatic policy. I am proud to lead this effort along with our esteemed chairman, Chairman HILL, and my colleagues across the aisle, Representatives MEEKS and GOTTHEIMER. I would like to note that the ranking member voted for 19 of the 22 bills included in this package.

There is a reason this bill has won resounding support. I think we are at 81 total organizations from every corner of the country. When we expand access to capital and opportunity, everyone wins. More companies will choose to grow here, go public here, and create jobs here instead of overseas. More Americans and everyday retail investors will invest in innovation, and more communities across the country will participate in the prosperity that entrepreneurship creates.

I urge my colleagues to support this legislation, H.R. 3383, the INVEST Act. Mr. Chair, I reserve the balance of my time.

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

Mr. Chair, I rise today in strong opposition to H.R. 3383, the INVEST Act, which is an end-of-year holiday gift to Wall Street, paid for by the hard-earned savings of teachers, nurses, seniors, and other hardworking Americans.

While several of the provisions in the INVEST Act could support capital formation, the bill contains three poison pill provisions that make voting for the overall bill untenable. These provisions will raise costs and increase fees for people all across America.

At a time when the President's disastrous tariff policies are causing many Americans to struggle just to pay the bills, the INVEST Act would reduce Federal investor protections, jeopardizing the retirement savings of millions of regular, hardworking Americans, but it didn't have to be this way.

I worked closely with the Capital Markets Subcommittee chairwoman, Mrs. WAGNER, and the full committee chairman, Mr. HILL, just to get to ''yes'' on this bill, and 19 of the provisions in this bill would pass overwhelmingly through this House.

Unfortunately, Republicans could not resist the demands of their Wall Street, and they threw in three poison pills at the last minute that would make Wall Street richer and retirement more unaffordable.

Mr. Chair, I will tell you about these poison pill provisions and what they will do.

The first section, 202, would remove the 403(b) retirement plans relied on by millions of teachers, nurses, and nonprofit workers from the protections and oversight of the Federal securities laws. This massive $1 trillion deregulation of 403(b) plans would allow Wall Street middlemen and unlicensed, so-called retirement consultants to free themselves of SEC's rules to always keep the planholders' best interests in mind.

It is not surprising that, while those Wall Street middlemen are heavily lobbying this bill, the groups and unions representing the teachers, nurses, and other workers who would be affected strongly oppose. The National Education Association, representing over 3 million educators all across the country; the American Federation of Teachers, representing over 1.5 million teachers and healthcare professionals; National Nurses United, representing over 200,000 registered nurses; and the American Federation of State, County, and Municipal Employees, representing 1.3 million public service workers, all oppose this bill.

Mr. Chair, that is not all. Let's look at the second poison pill, section 205.

This provision will make electronic delivery of financial documents the default for all investors, including seniors, even though the majority of seniors prefer and rely on paper delivery. The bill would automatically switch investors from the preferred paper delivery to electronic delivery, even if the investor has recently declined to receive statements.

Millions of seniors still don't have access to reliable internet or an email account. As a result of this provision, they would now be in the dark about their finances and investments. This means that they would be less likely to notice junk fees and unnecessary trades executed by their financial professional.

Not surprisingly, the AARP, representing 110 million Americans, strongly opposed this provision when it was considered in the committee during this Congress.

Finally, the third poison pill, section 206, allows Wall Street to vastly increase the amount of risky, opaque private assets they sell to Main Street investors. It does so by allowing what is known as closed-end funds, which is similar to mutual funds and used by many everyday investors to invest up to 100 percent of their assets in shares of private equity and venture capital funds and directly into the unregistered shares of private companies.

Current law limits these kinds of private assets to only 15 percent of a fund's total assets. This is because private assets are very different from the

publicly traded stocks and bonds that most folks are used to investing in.

Unlike publicly traded stocks, private assets are not registered with the SEC, meaning Wall Street's cop on the block and all of the ensuing protections that come from its oversight are not in place. They are also harder to value, contain far fewer disclosures around risk, and are very hard for investors to get their money back due to withdrawal limits and long lockup periods.

For these reasons, our securities laws have guardrails on Wall Street so that they don't peddle junky assets to investors who can't understand the financial risks. These various provisions and the bill as a whole are opposed by the groups who are fighting on behalf of everyday Americans, including, again, the AFL–CIO; American Federation of Teachers; Americans for Financial Reform; Public Citizen; the Service Employees International Union; Communication Workers of America; American Federation of State, County, and Municipal Employees; National Education Association; National Nurses United; and the United Auto Workers.

The State securities regulators also came out against the bill just this morning. No one cares more about capital formation than our State governments, but they also care that deregulation does not lead to harming investors and small businesses.

Mr. Chair, we support capital formation. We tried so hard to get an agreement, and we thought we had one because of the provisions that we could be bipartisan on because we, too, support capital formation. What we don't support is these poison pills that will just do the kind of deregulation that would put so many hardworking people at risk. As I mentioned, the teachers and the nurses and all of the other labor unions, et cetera, are really, really worried that these poison pills will do so much harm that we had to plea but walk away from what we thought we could get as a bipartisan operation because of the poison pills at the last minute.

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

Mrs. WAGNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to just mention to the Chair that those three so-called poison pills that the ranking member keeps mentioning, these bills passed overwhelmingly in the Financial Services Committee with strong bipartisan support.

Mr. Chairman, I include in the RECORD the 81—let me underscore, 81—organizations that are supporting this piece of legislation, everything from the American Retirement Association to the Small Business and Entrepreneurship Council, the United Way, the U.S. Black Chambers, the U.S. Chamber of Commerce, even the YMCA.

H.R. 3383—INVEST ACT (WAGNER) (FSC)

GROUPS SUPPORTING

1. Accredited Investor Alliance
2. American Benefits Council
3. American Council of Life Insurers (ACLI)
4. American Heart Association
5. American Retirement Association (ARA)
6. American Securities Association (ASA)
7. Ameriprise Financial
8. Angel Capital Association (ACA)
9. AngelList
10. Arizona Technology Council
11. Association of Women's Business Centers
12. Biotechnology Innovation Organization (BIO)
13. Cancer Fund Impact Investments
14. Capital Integration Systems (CAIS)
15. Carta
16. Center for American Entrepreneurship (CAE)
17. Charles Schwab
18. Chorus America
19. Coalition for Business Development (CBD)
20. Committee of Annuity Insurers (CAI)
21. Council on Foundations
22. Crowdfunding Professional Association (CFPA)
23. Defined Contribution Alternatives Association (DCALTA)
24. Edward Jones
25. Empower
26. Engine
27. Fidelity Investments
28. Financial Services Institute
29. Financial Technology Association (FTA)
30. Franklin Templeton
31. Great Gray Trust Company
32. Habitat for Humanity International
33. Illinois Venture Capital Association
34. Incubate
35. Independent Sector
36. Inland Real Estate Group of Companies
37. Institute for Portfolio Alternatives (IPA)
38. Insured Retirement Institute (IRI)
39. Investment Adviser Association (IAA)
40. Investment Company Institute (ICI)
41. Investor Choice Advocates Network (ICAN)
42. LPL Financial
43. Lutheran Services in America
44. Make Startups
45. Managed Funds Association (MFA)
46. Maryland Technology Council
47. Massachusetts Biotechnology Council (MassBio)
48. Meals on Wheels America
49. Michigan Venture Capital Association
50. MissionSquare
51. Nareit
52. Nasdaq
53. National Association of Insurance and Financial Advisors (NAIFA)
54. National Association of Manufacturers (NAM)
55. National Small Business Association
56. National Council of Nonprofits
57. National Bankers Association
58. National Venture Capital Association (NVCA)
59. Nationwide
60. New England Venture Capital Association
61. New York Stock Exchange
62. Prudential
63. Rocky Mountain Venture Capital Association
64. Securities Industry and Financial Markets Association (SIFMA)
65. Small Business & Entrepreneurship Council
66. Small Business Investor Alliance (SBIA)
67. Small Business Multi-Cloud Coalition
68. SPARK Institute
69. Stable Value Investment Association (SVIA)
70. State Street Investment Management
71. Technology Association of Georgia (TAG)
72. Technology Councils of North America (TECNA)
73. Texas Venture Alliance
74. TIAA
75. United Way Worldwide
76. U.S. Black Chambers, Inc.
77. U.S. Chamber of Commerce
78. Coalition Letter from 25+ Organizations Representing the US Innovation Ecosystem
79. Venture Atlanta
80. Y Combinator
81. YMCA of USA

Mrs. WAGNER. Mr. Chair, I yield 3½ minutes to the gentleman from Arkansas (Mr. HILL), the esteemed chairman of the Financial Services Committee and my wonderful partner in this capital markets endeavor.

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Mr. HILL of Arkansas. Mr. Chairman, I thank Mrs. WAGNER for her work as our subcommittee chair of Capital Markets in this Congress. I thank our vice chairman of the full committee that you will hear from tonight, the gentleman from Michigan (Mr. HUIZENGA) who for three Congresses served as chair of Capital Markets or ranking member on this subcommittee.

This work tonight represents over a decade of effort on a bipartisan basis, both sides of the aisle, to advance economic growth for our citizens, and for our businesses by advancing their ability—at a lower cost, in a more effective way—of raising money from working out of their garage and crowdsourcing their idea to bring their idea to life, through angel investing all the way through to lowering the cost to be a public company.

Mr. Chairman, exactly 1 year ago this week, when I aspired to serve as chair of the House Financial Services Committee, I asked my colleagues: Can you tell me how many companies are in the Wilshire 5000 Index? There was silence in the room.

Mr. Chairman, there was silence in the room because it is not 5,000 companies, it was 3,700. Why? It is because we don't have enough qualified public companies in this great Nation—the largest economy in the world—to have 5,000 public companies in the Wilshire 5000.

Tonight we do something about that. We make it easier to be a public company in America. We make it easier if you have a great idea to crowdsource that idea, raise money from friends and family, and we make it easier if you are an individual investor to have other opportunities in which to invest.

Before I served in this House, I conducted many private placements to help people start their own business, and Reg D of the SEC is what you do that under. Those are the rules of the SEC to privately raise money to help somebody start a business.

In that effort, you have to be an accredited investor in order to invest. What if you invented the technology that is doing the business, but you did

not have a million-dollar net worth and a $250,000 income? Mr. Chairman, you can't be an investor—it is your technology—unless you are the CEO or a board member.

This bill corrects that. It says if you have an expertise in a particular area, you can become an accredited investor.

Tonight, Mr. Chair, we believe in Steve Case's admonition to the whole Nation, ''The Rise of the Rest.'' We want America to thrive no matter what side of the tracks you grow up on or what your education level is. We want hard work, savings, and investment rewarded.

Mrs. WAGNER, Mr. GOTTHEIMER, and Mr. MEEKS have delivered that in the INVEST Act, and I urge a ''yes'' vote.

Ms. WATERS. Mr. Chairman, I have no further speakers, and I am prepared to close if the gentlewoman from Missouri has no further speakers.

Mrs. WAGNER. Mr. Chairman, I am not even close to closing. I yield 2 minutes to the gentleman from Michigan (Mr. HUIZENGA), my good friend and the sponsor of the Improving Disclosures for Investors Act in this package.

Mr. HUIZENGA. Mr. Chairman, I rise in strong support of the Incentivizing New Ventures and Economic Strength Through Capital Formation, the INVEST Act, and ask for its immediate passage.

Mr. Chair, this package of bills before the House today is the culmination, as the Chair was saying, of literally a decade's worth of work, bipartisan work, I might add. The time has ripened and the time has come for us to pass all of these.

H.R. 3383 expands access to capital for small businesses, increases investor opportunities for all, and strengthens our public markets.

Last year, as part of the committee's capital formation agenda, we heard from everyday Americans who, despite the odds, succeeded in achieving their dreams.

Today's bill reflects their priorities and the priorities of millions of Americans who are looking for financial security and a better future. I want to take a minute to highlight my bill which is included in this package.

The Improving Disclosure for Investors Act directs the Securities and Exchange Commission to promulgate rules with respect to electronic delivery of certain required disclosures to investors.

Here is what that means: If you have an email, you are able to receive these documents electronically. You are not forced, but you are able to get it. If you don't have an email, by definition you don't even qualify. You will not get these.

By the way, I will note, Mr. Chairman, that the standard for the Social Security Administration is through electronic communications.

This bipartisan bill is straightforward. It provides ample time for transition, notices to consumers, and an ability for anyone to opt out for any reason if they choose to do so.

I was proud to work with the ranking member of the Capital Markets Subcommittee, the gentleman from California (Mr. SHERMAN), to make sure that consumer protection, especially for seniors, Mr. Chairman, was the foundation of this bill.

There are no poison pills in here, Mr. Chairman. There are no surprises in this. We are champions for American competitiveness, and I urge my colleagues to vote ''yes.''

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

Now, this so-called e-delivery provision makes electronic delivery the default communication method for all investors, whether they like it or not.

AARP research indicates that a majority of American investors, 80 percent of which are 55 years of age or older, prefer to receive their documents in paper. However, under this provision, investors who prefer to receive information about their investments by paper will need to opt in to paper delivery by computer even if they previously opted for paper statements.

This is why the e-delivery provision is opposed by the AARP and most major unions and investor protection organizations, including, again: Americans for Financial Reform; American Federation of Labor and Congress of Industrial Organizations, AFL–CIO; Communications Workers of America, CWA; Consumer Federation of America, CFA; National Education Association, NEA; the American Federation of Teachers, AFT; National Nurses United, NNU; Public Citizen; Service Employees International Union, SEIU; The Academy of Financial Education, AFE; United Auto Workers, UAW; the North American Securities Administrators Association, NASAA; and the American Federation of State, County, and Municipal Employees, AFSCME.

Now, I have two big problems with this provision. Number one: Investors who previously told their adviser that they had to have paper statements should still be able to receive them because investors should be the ones in charge of how they monitor their own money.

Number two: Any savings advisers earn because they are not sending paper notices should be refunded to the investor as a credit on their statement. Financial advisers should not be able to make a profit by providing fewer services to their investors, especially a service that most investors want and demand.

However, Republicans flatly refuse to include either provision, demonstrating what this section really is: a holiday gift to Wall Street.

□ 2010

Financial firms will save potentially billions of dollars by making it harder for American investors to access information about their own accounts.

For these reasons, I strongly encourage you to vote against H.R. 3383.

Let me just say to the Members of this House of Representatives that if, in fact, we were working on a bipartisan agreement on this INVEST Act and we found that we could agree on maybe 19 out of 22, that they would literally walk away from the negotiations. They would walk away from our chance to be bipartisan rather than have a bill that would actually be a bill that we all want, understanding what our businesses need for capital improvement, et cetera, because Wall Street wants these three poison pills. They would walk away from all the work that we have done. It does not make good sense.

Mr. Chair, for that reason, we can't vote for it. We cannot vote for it with these poison pills. They are too harmful.

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

Mrs. WAGNER. Mr. Chair, I yield 3 minutes to the gentleman from New York (Mr. MEEKS), the co-lead of this bill and my very good friend here in Congress.

Mr. MEEKS. Mr. Chair, I thank Chairwoman WAGNER, Chairman FRENCH HILL, Mr. GOTTHEIMER, and to my dear friend and person that I respect and admire, the Ranking Member MAXINE WATERS, for their leadership.

Mr. Chair, I am here today to say why I support this bill and why it was important for me to be a cosponsor.

I support this bill because I believe it is a meaningful step for working families. At a time when families continue to feel the pressures of rising costs and financial uncertainty, the INVEST Act represents a meaningful, commonsense step to help Americans secure their financial futures.

Mr. Chair, 62 percent of Americans are invested in the stock market and the vast majority are not day traders or wealthy investors. There are millions of everyday workers who participate through mutual funds, pensions, and retirement plans like the 401(k)'s and IRAs.

I support this bill because it expands access to capital for underserved and under-networked entrepreneurs. This bill modernizes outdated rules that have made it especially hard for Black and Brown founders and minority-owned small businesses to meet investors, to participate in community investment events, and raise early capital.

The INVEST Act broadens who can responsibly participate in private markets. It preserves investor protections and strengthens oversight while recognizing that these opportunities for wealth building shouldn't just be for the super rich. It makes it easier for small businesses by reducing regulatory friction and compliance burdens that disproportionately impact them.

This package of 22 bills is fundamentally really a pro small business bill focused on addressing the affordability crisis and not a Wall Street deregulatory bill.

Mr. Chair, 16 of these bills have passed the House nearly unanimously in this Congress, and I supported every individual bill when we considered them before the Financial Services Committee, as did many of my committee colleagues.

I sponsored three of the bills in this package that I have worked on for multiple Congresses. These bills increase transparency in multiclass stock structures, protect against activist investors in closed-end funds, and encourage startups to test the waters when considering an IPO.

These issues aren't just a flash in the pan. These bills have come together after long thought and deliberation with partners like the U.S. Black Chambers, like minority banks, institutional investor advocates, and nonprofits. They are about closing the wealth gap of which I have been focused on my entire career.

The Acting CHAIR (Mr. MACKENZIE). The time of the gentleman has expired.

Mrs. WAGNER. Mr. Chair, I yield an additional 30 seconds to the gentleman from New York.

Mr. MEEKS. That is why I support this bill. That is one of the main reasons why I am here in the United States Congress.

Strengthening our capital markets is not about helping the big guys. It is about improving the financial security of working families. Supporting the INVEST Act will give Americans more opportunities to grow their retirement savings and build long-term economic stability.

Mr. Chair, I support this bill and urge my colleagues to do the same.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mrs. WAGNER. Mr. Chair, I yield 2 minutes to the gentleman from Wisconsin (Mr. STEIL), the sponsor of the Expanding WKSI Eligibility Act in this package.

Mr. STEIL. Mr. Chair, I thank the chairman of the full committee, Mr. HILL, for his leadership as well as the chair of the subcommittee, Mrs. WAGNER, not only for her hard work but also for the flawless Luxembourg pronunciation of my last name as the former ambassador to Luxembourg.

Mr. Chair, I rise because we have an opportunity here to make the world's best capital markets even better. In a period of time when Americans are struggling with higher costs, we have an opportunity to lower costs, and the legislation before us tonight accomplishes both of those goals.

Outdated capital market rules are holding back innovation and limiting investor access. By weighing down the engine of our economy, they are raising costs and stifling growth.

The INVEST Act will help to address these challenges. It expands access to capital for smaller companies by making targeted reforms to crowdfunding rules and venture investment restrictions. It opens up investment opportunities to more working Americans saving for their retirements, opportunities that are currently reserved for the rich.

INVEST also streamlines disclosures for startups, and I like that it includes my WKSI bill that alters the status of more companies. More companies can sell securities to the public quicker and with less cost. This bill helps modernize our capital markets, Mr. Chair, to lower costs, reduce complexity, and open opportunities for more Americans.

Mr. Chair, I encourage my colleagues to support this legislation.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mrs. WAGNER. Mr. Chair, I yield 1 minute to the gentleman from Nebraska (Mr. FLOOD), the sponsor of the Equal Opportunity for All Investors Act in this package.

Mr. FLOOD. Mr. Chair, I strongly support the INVEST Act, and I commend Congresswoman ANN WAGNER and Congressman GREG MEEKS for their hard work on this bipartisan project. This is how Congress is supposed to work.

The INVEST Act will expand access to capital for startups and small businesses, create new pathways for retail investors, and provide greater opportunity to more Americans. One bill in this package I will highlight is the Equal Opportunity for All Investors Act, a bill I lead with Congressman CLEO FIELDS, Congresswoman SARAH MCBRIDE, and Congressman MIKE LAWLER.

The Equal Opportunity for All Investors Act would expand the accredited investor definition to include individuals that are certified through an exam written by the SEC and administered by FINRA. Accredited investors are individuals that are allowed to participate in investment opportunities that are not generally available to the broader public, like private offerings.

Most current pathways to become an accredited investor are based upon wealth and income. This bill opens up a new pathway, allowing for investors' knowledge to be the determining factor in whether they are able to become an accredited investor.

The Acting CHAIR. The time of the gentleman has expired.

Mrs. WAGNER. Mr. Chair, I yield an additional 30 seconds to the gentleman from Nebraska.

Mr. FLOOD. The examination created by this bill is meant to strike a balance between rigorously testing for sophistication and not being set to such a difficult standard that even an intelligent investor could not pass it.

Mr. Chair, I urge my colleagues to support the INVEST Act.

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

Mr. Chair, Republicans claim that section 202 purports to modernize retirement options for nurses, teachers, and nonprofit workers. Let me be clear: It does not.

In reality, this provision opens these workers' retirement accounts called 403(b) plans to complex, high-fee products like collective investment trusts and variable annuities. It also removes these plans from the protections and oversight of our Federal securities laws.

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I cannot imagine why we would want to make it more difficult and dangerous for some of the most valuable members of our community to save for retirement, but that is exactly what section 202 does. We did not debate this section. We did not have a hearing on it. No one has asked questions about it.

I have to wonder, why is it here? Is it because those whose savings are in 403(b) plans, the teachers and nurses, asked for it? No, they did not. They do not support this provision. In fact, this section is opposed by major unions and investor protection groups.

Let me make sure that it is very well understood who is opposing these poison pills: American Federation of Labor and Congress of Industrial Organizations, AFL–CIO; Communications Workers of America, CWA; Consumer Federation of America, CFA; National Education Association, NEA; American Federation of Teachers, AFT; National Nurses United, NNU; Public Citizen; Service Employees International Union, SEIU; The Academy of Financial Education, AFE; the United Auto Workers, UAW; North American Securities Administrators Association, NASAA; and American Federation of State, County and Municipal Employees, AFSCME.

To be clear, this provision is in this bill because Wall Street asked for it. They want to be able to spend the retirement savings of public employees on these most expensive, riskier assets so they can get richer.

Voting for this bill means choosing Wall Street over the interests of the American people, and I cannot imagine doing that. That is why I urge my colleagues to vote against this bill with these poison pills in it that I have described over and over again.

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

Mrs. WAGNER. Mr. Chair, I yield 2 minutes to the gentleman from Iowa (Mr. NUNN), my good friend and the sponsor of the ELEVATE Act in this package.

Mr. NUNN of Iowa. Mr. Chair, Chairwoman ANN WAGNER has been a great leader on capital markets and driving real innovation, but also real investment across this country through our INVEST Act. That is why I rise in support today of the INVEST Act, legislation that will transform the way we bring capital to the heart of the heartland, in places like Missouri and Iowa.

Consider, if you will, Mr. Chair, a precision agriculture company in Atlantic, Iowa, that develops a new soil monitoring technology. They want to raise capital to manufacture sensors and hire engineers. Under current rules, they face excessive auditing requirements that cost up to $200,000 just

in compliance alone. That is an amount that a coastal tech giant might spend in a day, but for a heartland company, that is a year's worth of an entire payroll for multiple employees.

My ELEVATE Act, included in this package, fixes this challenge. It reduces auditing requirements for emerging growth companies from 3 years to 2 years, cutting costs while protecting investors.

Iowa's innovators and America's innovators are creators of solutions that help feed the world and drive America forward. We should remove barriers, not continue to create or make them harder, because a startup in Perry, Iowa, deserves the same shot at success as one in Palo Alto, California.

The INVEST Act delivers fairness, and my work on the ELEVATE Act delivers it right to the heart of this country.

Mr. Chair, I urge passage.

Ms. WATERS. Mr. Chair, I reserve the balance of my time.

Mrs. WAGNER. Mr. Chair, I yield myself such time as I may consume.

Mr. Chair, I also would like to pull up a few more of the organizations supporting the INVEST Act of our 81 total that we have received to date: the American Council of Life Insurers, the American Heart Association, the American Retirement Association, the Association of Women's Business Centers, Habitat for Humanity, the Lutheran Services in America, even Meals on Wheels America.

Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. HARIDOPOLOS), a sponsor of the Greenlighting Growth Act in this package.

Mr. HARIDOPOLOS. Mr. Chair, I rise in support of H.R. 3383, the Increasing Investor Opportunities Act.

Our country did not get to the top of the world by playing it safe. We got here by putting capital to work, the very engine that former Fed Chair Alan Greenspan wrote about in ''Capitalism in America.''

Our capital markets are the fuel and, ultimately, the rocket boosters for innovation, and this bill, the INVEST Act, launches economic growth.

I am also proud that my bill, the Greenlighting Growth Act, is a part of this package, ripping away the red tape that has strangled emerging companies in the JOBS Act. There are no more bureaucratic handcuffs. Instead, we are giving startups the engine they need to grow.

We are fortunate to have Chair HILL and Chair WAGNER's leadership on this laser-focused bill. They do not just talk about innovation. They have delivered it with this legislation.

This bill will make sure America's capital markets drive down costs, lift up families, and keep us the number one place to do business in the world. This is not theory. This is the American blueprint for prosperity in action. Let's pass this good bill and greenlight the future.

Ms. WATERS. Mr. Chair, I continue to reserve my time.

Mrs. WAGNER. Mr. Chair, I yield 1 minute to the gentleman from North Carolina (Mr. MCDOWELL).

Mr. MCDOWELL. Mr. Chairman, the INVEST Act calls us to review a simple truth: A nation that unleashes the talent of its people will never be left behind.

For too long, outdated regulations have stood in the way of our brightest entrepreneurs gaining the capital that they need to build, grow, and compete.

The INVEST Act changes that and opens the door for new investment. It gives small businesses from rural America, in districts like mine, more opportunity at raising capital without drowning in red tape. It expands opportunities for the everyday investor, not just those who already have an accounting department that is big enough to actually navigate through the Federal bureaucracy.

The INVEST Act makes it easier for companies to tap into American capital markets so we can continue strengthening our financial system here at home rather than abroad.

Mr. Chair, small businesses and innovators are the backbone of our domestic economy, and access to capital is vital to their success. The INVEST Act clears a path for just that.

Mr. Chair, I urge a ''yes'' vote.

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Ms. WATERS. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, I have heard a lot from Republicans about how the INVEST Act will expand access to capital and increase investor opportunity. The inclusion of three poison pills in this bill shows they are not serious about protecting the investors. They care more about funneling their money to Wall Street.

If the Republicans are serious about increasing investment in small business and expanding opportunities for investors to participate in new markets, we could have passed a clean bill with nearly unanimous support. Instead, the Republicans, unable to say ''no'' to Wall Street, have jammed in three bills that hurt workers and those saving for a dignified retirement.

Don't just take my word for it. These provisions are opposed by the actual people who would be harmed. Again, these are teachers, nurses, seniors, and others.

The bill is opposed by the AFL–CIO; the American Federation of Teachers; the Americans for Financial Reform; Public Citizen; Service Employees International Union; Communications Workers of America Union; American Federation of State, County, and Municipal Employees; National Education Association; National Nurses United; and the United Auto Workers.

These unions represent over 20 million Americans. Other organizations are fighting for the interests of everyday Americans, and so should everyone in this Chamber.

Mr. Chair, let me close by saying, oftentimes we hear from both sides of the aisle how much they care about our seniors and how they want to do so much for our seniors. Here they have the opportunity to resist a poison pill that would absolutely be opposed to what seniors have said they want and they don't want.

I want Members of this Chamber to ask their grandmothers and their great-grandmothers and others who are investors, who have spent their time working and earning and making sure that they have retirement, et cetera: Do they want to receive their information on the internet or on a computer they don't have or they don't use or they haven't learned how to use?

Would my colleagues on the opposite side of the aisle simply try and understand why getting paper information about their investments is what seniors want?

If they want to support seniors, why would they allow Wall Street to stop sending the paper information and make billions of dollars and not even talk about making them spend the billions of dollars on seniors in some way? I don't get it.

Mr. Chair, I am raising the question. My colleagues on the other side of the aisle should raise the question. If they want to help seniors, this poison pill does not help them in any way. It denies them the opportunity to understand what is happening to their investments on paper that they can read, because they don't have access to or don't engage with the digital platform offered to all of us. They cannot engage because they are not ready to.

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

Mrs. WAGNER. Mr. Chair, I yield myself the balance of my time.

Mr. Chair, in closing, I ask every American to talk to their parents and to their grandparents. Talk to the 81 groups supporting this piece of incredible legislation including the INVEST Act, most especially the American Retirement Association; Lutheran Services in America; Meals on Wheels; MissionSquare Retirement; the Small Business and Entrepreneurship Council; the United Way; the U.S. Black Chambers, Inc.; the U.S. Chamber of Commerce; and the YMCA. Why are they signing onto and supporting this tremendous piece of legislation?

Mr. Chair, I want to address the statements of the ranking member. A few of the statements about the INVEST Act are simply incorrect, and I want to set the record straight.

The ranking member claims that this bill creates a loophole for bad actors to sell, as we just spoke about, the retirees' products outside of government oversight and regulations. The collective investment trusts are overseen and regulated by the OCC and other Federal or State banking regulators, the IRS, and the Department of Labor.

In addition, investors have additional protections under the bill by requiring either the plan to be subject to ERISA protections, the employer sponsor to serve as a plan fiduciary, or a government plan subject to additional State protections.

The ranking member claims that this bill would make it harder for investors to receive disclosures. That is just simply and categorically untrue. The INVEST Act requires an initial paper communication, a transition period, annual paper reminders of the right to opt out, mechanisms to detect failed deliveries, and readability retention standards. Plus, there is standing anytime to opt out back to paper.

It modernizes disclosures in line with recent actions by the Thrift Savings Plan, TSP, while preserving protections for low-tech, low-income, and older investors.

The ranking member claims that this bill will turn closed-end funds into a vehicle for private funds to add unlimited amounts of risky private assets to everyday investors. That is categorically false. This provision does not change the strong regulatory obligations for both closed-end funds and their advisers under the securities law.

These protections include robust requirements with respect to fiduciary obligations, liquidity, transparency, valuation, and disclosure on fees, risks, strategies, and costs.

Mr. Chair, this bill is simply a bipartisan, targeted approach to modernizing outdated rules and expanding access to capital, while preserving strong investor protections. We have an opportunity today to unleash innovation and opportunity in every community we represent, putting more money in the pockets of our constituents and making life more affordable. That means more opportunities for workers, for savers, and for entrepreneurs.

The INVEST Act opens the door for everyone to share in the wealth of America, not just Wall Street.

Mr. Chair, I urge a ''yes'' vote so Congress can invest in our community, invest in our jobs, and invest for our future. I thank my colleagues on both sides of the aisle, again, for their very hard work and support

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

Mr. SHERMAN. Mr. Chair, I rise today in support of the Access to Small Business Investor Capital Act, Section 302 of H.R. 3383 the Increasing Investor Opportunities Act or the INVEST Act. Section 302 of the INVEST Act is identical to my bill H.R. 2225 *the Access to Small Business Investor Capital Act*, which passed the House of Representatives in June. I want to first thank Ranking Member WATERS for her tireless work to protect investors as well as Chairman HILL and Chairwoman WAGNER for including my bill in this larger capital markets package. I also want to thank Reps. HUIZENGA, BYNUM, and GARBARINO for joining me as co-leads on this important piece of legislation.

The bipartisan Access to Small Business Investor Capital Act makes a narrow technical correction to a federal securities rule that has had major unintended consequences over the last two decades.

In 1980, Congress created Business Development Companies (BDCs) to facilitate capital formation into small and medium-sized businesses. BDCs provide both investment capital and management assistance to growing businesses that are often underserved by traditional lending institutions. By law, BDCs must invest at least 70 percent of their assets in small and mid-sized domestic companies.

Over time, BDCs have filled a crucial gap in our economy by funding businesses in industries and geographies often overlooked by other financial institutions. BDCs are often the first institutional investors to step in. Despite this success, a 2006 SEC rule has inadvertently discouraged capital flows into BDCs, constraining their ability to serve small businesses. The rule—part of the SEC's Acquired Fund Fees and Expenses (AFFE) disclosure framework—requires mutual funds and other investment vehicles that invest in BDCs to disclose the management fees, expenses, and AFFE of the BDC itself.

This has the effect of double-counting BDC expenses, because BDC costs are already factored into their share price and returns. By adding them again as acquired fund fees, the SEC rule artificially inflates the expense ratios of funds holding BDCs.

The result is misleading: investors see a fund's expenses as higher than they actually are, simply because it invests in BDCs. This perception has led many fund managers to exclude BDCs from their portfolios, not because of performance, but because of distorted regulatory accounting.

The intent of the rule—to provide transparency—was well-meaning. But the execution, particularly when applied to BDCs, has proven counterproductive. Research by U.S. and international finance professors shows that after BDCs were removed from major U.S. stock indexes—a consequence of the AFFE rule—BDCs experienced 29 percent to 33 percent lower investment growth compared to peers. The effects were not limited to the financial sector: companies that relied on BDC capital saw lower job creation, with employment growth falling by 1.5 to 6.4 percentage points compared to pre-exclusion levels.

The rule also fails to recognize the unique structure and mission of BDCs. Unlike passive funds, BDCs are actively managed and intentionally incur higher costs to provide tailored investment and advisory services to small businesses. This model creates long-term value, but the AFFE rule unfairly penalizes it. This is similar to the model of a REIT or bank, which the SEC AFFE rule excluded.

If the SEC had the benefit of hindsight—of knowing the capital formation and job creation losses that followed this rule—it's likely that BDCs would have been carved out of the AFFE framework from the start similar to REITs and banks. That is why Congress must act now to reverse this unintended consequence.

Section 302, the Access to Small Business Investor Capital Act fixes this by allowing funds to omit a BDC's ''acquired fund fees and expenses'' from disclosures while still maintaining transparency around the BDC's management fees and costs. This restores fairness in the treatment of BDCs, aligns regulatory disclosures with economic reality, and gives investors a clear view of true costs.

Importantly, it does so without rolling back investor protections or weakening existing SEC oversight.

This bipartisan legislation will open the door for more investment in BDCs, thereby unlocking more capital for small and mid-sized businesses across the country. The most important thing that our financial institutions and capital markets do is provide capital for businesses, particularly small, medium-sized, and growing enterprises.

Business Development Companies play a vital role in meeting this need, and I'm proud to work with a bipartisan group of Members to remove an outdated and unnecessary regulatory barrier.

Finally, the Access to Small Business Investor Capital Act seeks to resolve the AFFE issue with BDCs being removed from indices by eliminating the double counting of fees and, consistent with this intent, it is expected that comparable 1940 Act funds—such as interval and tender-offer funds—would also receive identical AFFE treatment.

The Access to Small Business Investor Capital Act passed the Financial Services Committee and this House once before, and I am glad that it was included in the INVEST Act.

The Acting CHAIR. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

In lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services, printed in the bill, and the amendment in the nature of a substitute consisting of the text of Rules Committee Print 119–15, shall be considered as adopted. The bill, as amended, shall be considered as an original bill for purpose of further amendment under the 5-minute rule and shall be considered as read.

The text of the bill, as amended, is as follows:

H.R. 3383

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

***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

*(a) SHORT TITLE.—This Act may be cited as the ''Incentivizing New Ventures and Economic Strength Through Capital Formation Act of 2025'' or the ''INVEST Act of 2025''.*

*(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:*

## TITLE I—EXPANDING ACCESS TO CAPITAL FOR SMALL BUSINESSES

### SEC. 101. EXPANDING ACCESS TO CAPITAL FOR RURAL JOB CREATORS.

Section 4(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(i)) is amended—

(1) in paragraph (4)(C), by inserting ", rural-area small businesses" after "women-owned small businesses"; and

(2) in paragraph (6)(B)(iii), by inserting ", rural-area small businesses" after "women-owned small businesses".

### SEC. 102. HELPING ANGELS LEAD OUR STARTUPS.

(a) DEFINITIONS.—For purposes of this section and the revision of rules required under this section:

(1) ANGEL INVESTOR GROUP.—The term "angel investor group" means any group that—

(A) is composed of accredited investors interested in investing personal capital in early-stage companies;

(B) holds regular meetings and has defined processes and procedures for making investment decisions, either individually or among the membership of the group as a whole; and

(C) is neither associated nor affiliated with brokers, dealers, or investment advisers.

(2) ISSUER.—The term "issuer" means an issuer that is a business, is not in bankruptcy or receivership, is not an investment company, and is not a blank check, blind pool, or shell company.

(b) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Securities and Exchange Commission shall revise Regulation D (17 CFR 230.500 et seq.) to require that in carrying out the prohibition against general solicitation or general advertising contained in section 230.502(c) of title 17, Code of Federal Regulations, the prohibition shall not apply to a presentation or other communication made by or on behalf of an issuer which is made at an event—

(1) sponsored by—

(A) the United States or any territory thereof, the District of Columbia, any State, a federally recognized Indian Tribe, a political subdivision of any State, territory, or federally recognized Indian Tribe, or any agency or public instrumentality of any of the foregoing;

(B) a college, university, or other institution of higher education;

(C) a nonprofit organization;

(D) an angel investor group;

(E) an incubator or accelerator;

(F) a venture forum, venture capital association, or trade association, other than an association created solely for the purpose of sponsoring an event described under this subsection; or

(G) any other group, person, or entity as the Securities and Exchange Commission may determine by rule;

(2) that is not held in any facility that is owned or operated by a religious organization, other than an institution of higher education that is accredited and operated primarily for post-secondary education;

(3) where any advertising for the event does not reference any specific offering of securities by the issuer;

(4) the sponsor of which—

(A) does not make investment recommendations or provide investment advice to event attendees;

(B) does not engage in an active role in any investment negotiations between the issuer and investors attending the event;

(C) does not charge event attendees any fees other than reasonable administrative fees;

(D) does not receive any compensation for making introductions between investors attending the event and issuers, or for investment negotiations between such parties;

(E) makes readily available to attendees a disclosure not longer than one page in length, as prescribed by the Securities and Exchange Commission, describing the nature of the event and the risks of investing in the issuers presenting at the event; and

(F) does not receive any compensation with respect to such event that would require registration of the sponsor as a broker or a dealer under the Securities Exchange Act of 1934, or as an investment advisor under the Investment Advisers Act of 1940; and

(5) where no specific information regarding an offering of securities by the issuer is communicated or distributed by or on behalf of the issuer, other than—

(A) that the issuer is in the process of offering securities or planning to offer securities;

(B) the type and amount of securities being offered;

(C) the amount of securities being offered that have already been subscribed for; and

(D) the intended use of proceeds of the offering.

(c) RULE OF CONSTRUCTION.—Subsection (b) may only be construed as requiring the Securities and Exchange Commission to amend the requirements of Regulation D with respect to presentations and communications, and not with respect to purchases or sales.

(d) NO PRE-EXISTING SUBSTANTIVE RELATIONSHIP BY REASON OF EVENT.—Attendance at an event described under subsection (b) shall not qualify, by itself, as establishing a pre-existing substantive relationship between an issuer and a purchaser, for purposes of Rule 506(b).

### SEC. 103. AMENDMENT FOR CROWDFUNDING CAPITAL ENHANCEMENT AND SMALL-BUSINESS SUPPORT.

(a) IN GENERAL.—Section 4A of the Securities Act of 1933 (15 U.S.C. 77d–1) is amended—

(1) in subsection (b)(1)(D), by striking "$100,000" each place such term appears and inserting "$250,000"; and

(2) by adding at the end the following:

"(i) DISCRETION TO ADJUST AMOUNT.—The Commission may increase the amount specified in subsections (b)(1)(D)(i) and (b)(1)(D)(ii) from $250,000 to an amount not greater than $400,000 upon the recommendation of the Office of the Advocate for Small Business Capital Formation and the Office of the Investor Advocate.".

(b) TECHNICAL CORRECTIONS.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended—

(1) in section 4A—

(A) by striking "section 4(6)" each place such term appears and inserting "section 4(a)(6)"; and

(B) by striking "section 4(6)(B)" each place such term appears and inserting "section 4(a)(6)(B)";

(2) in section 16(f)(3), by striking "section 4(2)" and inserting "section 4(a)(2)"; and

(3) in section 18—

(A) in subsection (b)(4)—

(i) in subparagraph (B), by striking "section 4(4)" and inserting "section 4(a)(4)";

(ii) in subparagraph (C), by striking "section 4(6)" and inserting "section 4(a)(6)"; and

(iii) in subparagraph (F), by striking "section 4(2)" each place such term appears and inserting "section 4(a)(2)"; and

(B) in subsection (c)(1)(B), by striking "section 4(6)" and inserting "section 4(a)(6)";

### SEC. 104. SMALL BUSINESS INVESTOR CAPITAL ACCESS.

Section 203(m) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(m)) is amended—

(1) in paragraph (1), by striking "$150,000,000" and inserting "$175,000,000"; and

(2) by adding at the end the following:

"(5) INFLATION ADJUSTMENT.—The Commission shall, every 5 years, adjust the dollar amount described under paragraph (1) to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, and round such dollar amount to the nearest multiple of $1,000,000.".

### SEC. 105. ADVOCATING FOR SMALL BUSINESS.

Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end the following:

"(k) OFFICES OF SMALL BUSINESS.—The Commission shall ensure that, within each of the Division of Corporation Finance, the Division of Investment Management, and the Division of Trading and Markets, an Office of Small Business is established that shall coordinate with the Office of the Advocate for Small Business Capital Formation on rules and policy priorities related to capital formation.".

### SEC. 106. SMALL ENTITY UPDATE.

(a) DEFINITIONS.—In this section—

(1) the term "Commission" means the Securities and Exchange Commission; and

(2) the term "small entity"—

(A) has the meaning given the term in section 601 of title 5, United States Code, with respect to the activities of the Commission; and

(B) includes any definition established by the Commission of the term "small business", "small organization", "small governmental jurisdiction", or "small entity" under paragraph (3), (4), (5), or (6), respectively, of section 601 of title 5, United States Code, with respect to the activities of the Commission.

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

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

(A) the extent to which the definition of the term "small entity", as in effect during the period in which the study is conducted, aligns with the findings and declarations made under section 2(a) of the Regulatory Flexibility Act (5 U.S.C. 601 note);

(B) the amount by which financial markets in the United States have grown since the last time the Commission amended the definition of the term "small entity", if applicable; and

(C) how the Commission should define the term "small entity" to ensure that the entities that would fall under that definition be appropriately considered a "small entity" consistent with subparagraphs (A) and (B); and

(2) submit to Congress a report that includes—

(A) the results of the applicable study conducted under paragraph (1); and

(B) specific and detailed recommendations on the ways in which the Commission could amend the definition of the term "small entity" to—

(i) be consistent with the results described in subparagraph (A); and

(ii) expand the number of entities covered by such definition.

(c) PROPOSED RULE REVISIONS IN LIEU OF STUDY.—

(1) INITIAL STUDY.—The Commission may satisfy the requirement to conduct the first study described in subsection (b)(1) and submit the associated report described in subsection (b)(2) by, within 1 year of the date of enactment of this Act, proposing revisions to the rules of the Commission relating to the term "small entity" in

consideration of subparagraphs (A), (B), and (C) of subsection (b)(1).

(2) SECOND STUDY.—The Commission may satisfy the requirement to conduct the second study described in subsection (b)(1) and submit the associated report described in subsection (b)(2) by, no sooner than 5 years and no later than 6 years after the date of enactment of this Act, proposing revisions to the rules of the Commission relating to the term ''small entity'' in consideration of subparagraphs (A), (B), and (C) of subsection (b)(1).

(d) RULEMAKING.—Concurrently with, or after the completion of, each study required under subsection (b), the Commission shall, subject to public notice and comment, revise the rules of the Commission consistent with the results of such study.

(e) INFLATION ADJUSTMENTS.—After the Commission issues the final rule revisions required under subsection (c), and every 5 years thereafter, the Commission shall adjust any dollar figures under the definition of small entity established by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

**SEC. 107. IMPROVING ACCESS TO SMALL BUSINESS INFORMATION.**

Section 4(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(i)) is amended by adding at the end the following:

''(10) PRESERVATION OF INFORMATION COLLECTION BURDEN REVIEW.—

''(A) IN GENERAL.—Actions taken by the Advocate for Small Business Capital Formation under this subsection shall not be a 'collection of information' for purposes of subchapter I of chapter 35 of title 44, United States Code (commonly known as the 'Paperwork Reduction Act').

''(B) EXCEPTIONS.—Notwithstanding subparagraph (A), the requirements under subsections (c)(1), (c)(4), and (i) of section 3506 of title 44, United States Code, and section 3507(a)(1)(A) of such title shall apply to actions taken by the Advocate for Small Business Capital Formation under this subsection, except that the Commission shall not be required—

''(i) to submit a collection of information by the Advocate to the Director of the Office of Management and Budget, as referenced under section 3506(c)(1)(A) of such title;

''(ii) to display a control number on a collection of information by the Advocate, as described under section 3506(c)(1)(B)(i) of such title (or to inform a person receiving a collection of information from the Advocate that the collection of information needs to display a control number, as described under section 3506(c)(1)(B)(iii)(V) of such title); or

''(iii) to indicate a collection of information by the Advocate is in accordance with the clearance requirements of section 3507 of such title, as described under section 3506(c)(1)(B)(ii) of such title.''.

**SEC. 108. IMPROVING CAPITAL ALLOCATION FOR NEWCOMERS.**

(a) QUALIFYING VENTURE CAPITAL FUNDS.—Section 3(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''250 persons'' and inserting ''500 persons''; and

(2) in subparagraph (C)(i)—

(A) by striking ''$10,000,000'' and inserting ''$50,000,000''; and

(B) by striking ''beginning from a measurement made by the Commission on a date selected by the Commission'' and inserting ''beginning from a measurement made on the date of the enactment of the INVEST Act of 2025''.

(b) STUDY AND RULEMAKING.—

(1) IN GENERAL.—Beginning 5 years after the date of enactment of this Act, the Advocate for Small Business Capital Formation, in consultation with the Investor Advocate, shall conduct a study on the effect of the amendments made by subsection (a) on the businesses and startup entities in which qualifying venture capital funds invest, specifically including, with respect to such businesses and startup entities, changes or trends relating to—

(A) the geographic distribution of capital to portfolio companies;

(B) the socio-economic characteristics of founders or controlling persons;

(C) the veteran status of founders or controlling persons;

(D) the industry sector, size, stage of development, and related details; and

(E) other factors or metrics determined by the Advocate for Small Business Capital Formation.

(2) AUTHORITIES RELATED TO REQUIRED STUDY.—For purposes of conducting the study required by paragraph (1), the Advocate for Small Business Capital Formation and the Investor Advocate shall have the authority to—

(A) obtain from the Securities and Exchange Commission (in this section referred to as the ''Commission'') and utilize any data or information necessary to carry out the study;

(B) request and receive assistance from any division or office of the Commission, including the Division of Economic and Risk Analysis; and

(C) enter into agreements with third parties to assist in data analysis.

(3) REPORT.—The Advocate for Small Business Capital Formation shall issue a report to the Congress containing all findings and determinations made in carrying out the study required in paragraph (1), and make such report available to the public on the website of the Commission.

(4) PUBLIC COMMENT.—During the 180-day period beginning on the date the report is issued under paragraph (3), the Commission shall solicit feedback from the public on the findings and determinations contained in the report.

(5) RULEMAKING.—

(A) IN GENERAL.—The Commission, in consultation with the Investor Advocate and the Advocate for Small Business Capital Formation, may, after considering all comments received under paragraph (3) and only if the Commission determines in such report that the amendments made by subsection (a) have had a demonstrable effect on increasing the geographic distribution of capital to portfolio companies, increasing the variety of the socio-economic characteristics of founders or controlling persons, or increasing the number of founders or controlling persons who are veterans, issue rules to—

(i) increase or decrease the 500 person threshold described in the matter preceding subparagraph (A) of section 3(c)(1) of the Investment Company Act of 1940, but such threshold may not exceed 750 persons or be reduced below 250 persons; and

(ii) increase or decrease the $50,000,000 dollar figure in section 3(c)(1)(C)(i) of the Investment Company Act of 1940, but such dollar figure may not exceed $100,000,000 or be reduced below $10,000,000.

(B) DEADLINE FOR RULEMAKING.—The rulemaking authority in subparagraph (A) only applies to a rule with respect to which the proposed rule was issued during the 180-day period beginning at the end of the public comment period described in paragraph (4).

(C) NO EFFECT ON INFLATION ADJUSTMENTS.—A rule issued under this subsection shall have no effect on the requirement under clause (i) of section 3(c)(1)(C) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)(C)) to index the first dollar amount in such clause for inflation.

**SEC. 109. DEVELOPING AND EMPOWERING OUR ASPIRING LEADERS.**

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall—

(1) revise the definition of a qualifying investment under paragraph (c) of section 275.203(l)–1 of title 17, Code of Federal Regulations—

(A) to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition; and

(B) to specify that an investment in another venture capital fund (as defined in paragraph (a) section 275.203(l)–1 of title 17, Code of Federal Regulations) is a qualifying investment under such definition; and

(2) revise paragraph (a) of such section to require, as a condition of a private fund qualifying as a venture capital fund under such paragraph, that, immediately after the acquisition of any asset, such fund holds no more than 49 percent of the amount of the fund's aggregate capital contributions and uncalled committed capital (excluding short-term holdings) in—

(A) one or more venture capital funds; or

(B) qualifying investments acquired in a secondary acquisition, valued at cost or fair value, consistently applied by the fund.

## TITLE II—INCREASING OPPORTUNITIES FOR INVESTORS

**SEC. 201. FAIR INVESTMENT OPPORTUNITIES FOR PROFESSIONAL EXPERTS.**

(a) IN GENERAL.—Section 2(a)(15) of the Securities Act of 1933 (15 U.S.C. 77b(a)(15)) is amended—

(1) by redesignating subparagraphs (i) and (ii) as subparagraphs (A) and (F), respectively; and

(2) in subparagraph (A) (as so redesignated), by striking ''; or'' and inserting a semicolon, and inserting after such subparagraph the following:

''(B) with respect to a proposed sale of a security, any natural person whose individual net worth, or joint net worth with that person's spouse or spousal equivalent, at the time of such sale, exceeds $1,000,000 (which amount, along with the amounts set forth in subparagraph (C), shall be adjusted for inflation by the Commission every 5 years to the nearest $10,000 to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics) where, for purposes of calculating net worth under this subparagraph—

''(i) the person's primary residence shall not be included as an asset;

''(ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of such sale, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of such sale exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

''(iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of such sale shall be included as a liability;

''(C) any natural person who had an individual income in excess of $200,000 in each of the 2 most recent years or joint income with that person's spouse or spousal equivalent in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

''(D) any natural person who is—

''(i) currently licensed or registered as a broker or investment adviser by the Commission, a self-regulatory organization (as defined in section 3(a) of the Securities Exchange Act of 1934), or the securities division of a State, the District of Columbia, or a territory of the United States or the equivalent division responsible for licensing or registration of individuals in connection with securities activities; and

''(ii) in good standing with respect to such license or registration;

''(E) any natural person the Commission determines, by regulation, to have demonstrable education or job experience to qualify such person as having professional knowledge of a subject related to a particular investment, and

whose education or job experience is verified by a self-regulatory organization (as defined in section 3(a) of the Securities Exchange Act of 1934); or''.

(b) RULEMAKING.—Not later than 180 days after the date of enactment of this Act, the Securities and Exchange Commission shall revise the definition of accredited investor under Regulation D (17 CFR 230.500 et seq.) to conform with the amendments made by subsection (a).

**SEC. 202. RETIREMENT FAIRNESS FOR CHARITIES AND EDUCATIONAL INSTITUTIONS.**

(a) AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940.—Section 3(c)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(11)) is amended to read as follows:

''(11) Any—

''(A) employee's stock bonus, pension, or profit-sharing trust which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1986;

''(B) custodial account meeting the requirements of section 403(b)(7) of such Code;

''(C) governmental plan described in section 3(a)(2)(C) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)(C));

''(D) collective trust fund maintained by a bank consisting solely of assets of one or more—

''(i) trusts described in subparagraph (A);

''(ii) governmental plans described in subparagraph (C);

''(iii) church plans, companies, or accounts that are excluded from the definition of an investment company under paragraph (14) of this subsection; or

''(iv) plans which meet the requirements of section 403(b) of the Internal Revenue Code of 1986—

''(I) if—

''(aa) such plan is subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.);

''(bb) any employer making such plan available agrees to serve as a fiduciary for the plan with respect to the selection of the plan's investments among which participants can choose; or

''(cc) such plan is a governmental plan (as defined in section 414(d) of such Code); and

''(II) if the employer, a fiduciary of the plan, or another person acting on behalf of the employer reviews and approves each investment alternative offered under such plan described under subclause (I)(cc) prior to the investment being offered to participants in the plan; or

''(E) separate account the assets of which are derived solely from—

''(i) contributions under pension or profit-sharing plans which meet the requirements of section 401 of the Internal Revenue Code of 1986 or the requirements for deduction of the employer's contribution under section 404(a)(2) of such Code;

''(ii) contributions under governmental plans in connection with which interests, participations, or securities are exempted from the registration provisions of section 5 of the Securities Act of 1933 (15 U.S.C. 77e) by section 3(a)(2)(C) of such Act (15 U.S.C. 77c(a)(2)(C));

''(iii) advances made by an insurance company in connection with the operation of such separate account; and

''(iv) contributions to a plan described in clause (iii) or (iv) of subparagraph (D).''.

(b) AMENDMENTS TO THE SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended—

(1) by striking ''beneficiaries, or (D)'' and inserting ''beneficiaries, (D) a plan which meets the requirements of section 403(b) of such Code (i) if (I) such plan is subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.), (II) any employer making such plan available agrees to serve as a fiduciary for the plan with respect to the selection of the plan's investments among which participants can choose, or (III) such plan is a governmental plan (as defined in section 414(d) of such Code), and (ii) if the employer, a fiduciary of the plan, or another person acting on behalf of the employer reviews and approves each investment alternative offered under any plan described under clause (i)(III) prior to the investment being offered to participants in the plan, or (E)'';

(2) by striking ''(C), or (D)'' and inserting ''(C), (D), or (E)''; and

(3) by striking ''(iii) which is a plan funded'' and all that follows through ''retirement income account).'' and inserting ''(iii) in the case of a plan not described in subparagraph (D) or (E), which is a plan funded by an annuity contract described in section 403(b) of such Code''.

(c) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(12)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(C)) is amended—

(1) by striking ''or (iv)'' and inserting ''(iv) a plan which meets the requirements of section 403(b) of such Code (I) if (aa) such plan is subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.), (bb) any employer making such plan available agrees to serve as a fiduciary for the plan with respect to the selection of the plan's investments among which participants can choose, or (cc) such plan is a governmental plan (as defined in section 414(d) of such Code), and (II) if the employer, a fiduciary of the plan, or another person acting on behalf of the employer reviews and approves each investment alternative offered under any plan described under subclause (I)(cc) prior to the investment being offered to participants in the plan, or (v)'';

(2) by striking ''(ii), or (iii)'' and inserting ''(ii), (iii), or (iv)''; and

(3) by striking ''(II) is a plan funded'' and inserting ''(II) in the case of a plan not described in clause (iv), is a plan funded''.

(d) CONFORMING AMENDMENT TO THE SECURITIES EXCHANGE ACT OF 1934.—Section 12(g)(2)(H) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(g)(2)(H)) is amended by striking ''or (iii)'' and inserting ''(iii) a plan described in section 3(a)(12)(C)(iv) of this Act, or (iv)''.

**SEC. 203. EQUAL OPPORTUNITY FOR ALL INVESTORS.**

(a) IN GENERAL.—The Commission shall revise the definition of ''accredited investor'' under Regulation D (section 230.500 et seq. of title 17, Code of Federal Regulations) to include any natural person who is certified through the examination required under subsection (b).

(b) ESTABLISHMENT OF EXAMINATION.—Not later than 1 year after the date of the enactment of this Act, the Commission shall establish an examination (including a test, certification, or examination program)—

(1) to certify an individual as an accredited investor; and

(2) that—

(A) is designed with an appropriate level of difficulty such that an individual with financial sophistication would be unlikely to fail; and

(B) includes methods to determine whether an individual seeking to be certified as an accredited investor demonstrates competency with respect to—

(i) the different types of securities;

(ii) the disclosure requirements under the securities laws applicable to issuers and offerings of securities exempt from registration under section 5 of the Securities Act of 1933 as compared to issuers and offerings of securities subject to such section 5;

(iii) corporate governance;

(iv) financial statements and the components of such statements;

(v) aspects of unregistered securities, securities issued by private companies, and investments into private funds, including risks associated with—

(I) limited liquidity;

(II) limited disclosures;

(III) subjectivity and variability in valuations and the analytical tools investors may use to assess such valuations;

(IV) information asymmetry;

(V) leverage risks;

(VI) concentration risk; and

(VII) longer investment horizons;

(vi) potential conflicts of interest, when the interests of financial professionals and their clients are misaligned or when their professional responsibilities may be in conflict with financial motivations; and

(vii) such other criteria as the Commission determines necessary or appropriate in the public interest or for the protection of investors.

(c) ADMINISTRATION.—Beginning not later than 180 days after the date the examination is established under subsection (b), such examination shall be administered and offered free of charge to the public by a registered national securities association under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3).

(d) COMMISSION DEFINED.—In this section, the term ''Commission'' means the Securities and Exchange Commission.

**SEC. 204. SENIOR SECURITY.**

(a) SENIOR INVESTOR TASKFORCE.—Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d), as amended by section 105 is further amended by adding at the end the following:

''(l) SENIOR INVESTOR TASKFORCE.—

''(1) ESTABLISHMENT.—There is established within the Commission the Senior Investor Taskforce (in this subsection referred to as the 'Taskforce').

''(2) DIRECTOR OF THE TASKFORCE.—The head of the Taskforce shall be the Director, who shall—

''(A) report directly to the Chairman; and

''(B) be appointed by the Chairman, in consultation with the Commission, from among individuals—

''(i) currently employed by the Commission or from outside of the Commission; and

''(ii) having experience in advocating for the interests of senior investors.

''(3) STAFFING.—The Chairman shall ensure that—

''(A) the Taskforce is staffed sufficiently to carry out fully the requirements of this subsection; and

''(B) such staff shall include individuals from the Division of Enforcement, Office of Compliance Inspections and Examinations, and Office of Investor Education and Advocacy.

''(4) NO COMPENSATION FOR MEMBERS OF TASKFORCE.—All members of the Taskforce appointed under paragraph (2) or (3) shall serve without compensation in addition to that received for their services as officers or employees of the United States.

''(5) MINIMIZING DUPLICATION OF EFFORTS.—In organizing and staffing the Taskforce, the Chairman shall take such actions as may be necessary to minimize the duplication of efforts within the divisions and offices described under paragraph (3)(B) and any other divisions, offices, or taskforces of the Commission.

''(6) FUNCTIONS OF THE TASKFORCE.—The Taskforce shall—

''(A) identify challenges that senior investors encounter, including problems associated with financial exploitation and cognitive decline;

''(B) identify areas in which senior investors would benefit from changes in the regulations of the Commission or the rules of self-regulatory organizations;

''(C) coordinate, as appropriate, with other offices within the Commission, other taskforces that may be established within the Commission, self-regulatory organizations, and the Elder Justice Coordinating Council; and

''(D) consult, as appropriate, with State securities and law enforcement authorities, State insurance regulators, and other Federal agencies.

''(7) REPORT.—The Taskforce, in coordination, as appropriate, with the Office of the Investor Advocate and self-regulatory organizations, and in consultation, as appropriate, with State securities and law enforcement authorities, State insurance regulators, and Federal

agencies, shall issue a report every 2 years to the Committee on Banking, Housing, and Urban Affairs and the Special Committee on Aging of the Senate and the Committee on Financial Services of the House of Representatives, the first of which shall not be issued until after the report described in section 3 of the National Senior Investor Initiative Act of 2025 has been issued and considered by the Taskforce, containing—

''(A) appropriate statistical information and full and substantive analysis;

''(B) a summary of recent trends and innovations that have impacted the investment landscape for senior investors;

''(C) a summary of regulatory initiatives that have concentrated on senior investors and industry practices related to senior investors;

''(D) key observations, best practices, and areas needing improvement, involving senior investors identified during examinations, enforcement actions, and investor education outreach;

''(E) a summary of the most serious issues encountered by senior investors, including issues involving financial products and services;

''(F) an analysis with regard to existing policies and procedures of brokers, dealers, investment advisers, and other market participants related to senior investors and senior investor-related topics and whether these policies and procedures need to be further developed or refined;

''(G) recommendations for such changes to the regulations, guidance, and orders of the Commission and self-regulatory organizations and such legislative actions as may be appropriate to resolve problems encountered by senior investors; and

''(H) any other information, as determined appropriate by the Director of the Taskforce.

''(8) REQUEST FOR REPORTS.—The Taskforce shall make any report issued under paragraph (7) available to a Member of Congress who requests such a report.

''(9) SUNSET.—The Taskforce shall terminate after the end of the 10-year period beginning on the date of the enactment of this subsection.

''(10) SENIOR INVESTOR DEFINED.—In this subsection, the term 'senior investor' means an investor over the age of 65.

''(11) USE OF EXISTING FUNDS.—The Commission shall use existing funds to carry out this subsection.''.

(b) GAO STUDY.—

(1) STUDY.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress and the Senior Investor Taskforce the results of a study of financial exploitation of senior citizens.

(2) CONTENTS.—The study required under paragraph (1) shall include information with respect to—

(A) economic costs of the financial exploitation of senior citizens—

(i) associated with losses by victims that were incurred as a result of the financial exploitation of senior citizens;

(ii) incurred by State and Federal agencies, law enforcement and investigatory agencies, public benefit programs, public health programs, and other public programs as a result of the financial exploitation of senior citizens;

(iii) incurred by the private sector as a result of the financial exploitation of senior citizens; and

(iv) any other relevant costs that—

(I) result from the financial exploitation of senior citizens; and

(II) the Comptroller General determines are necessary and appropriate to include in order to provide Congress and the public with a full and accurate understanding of the economic costs resulting from the financial exploitation of senior citizens in the United States;

(B) frequency of senior financial exploitation and correlated or contributing factors—

(i) information about percentage of senior citizens financially exploited each year; and

(ii) information about factors contributing to increased risk of exploitation, including such factors as race, social isolation, income, net worth, religion, region, occupation, education, home-ownership, illness, and loss of spouse; and

(C) policy responses and reporting of senior financial exploitation—

(i) the degree to which financial exploitation of senior citizens unreported to authorities;

(ii) the reasons that financial exploitation may be unreported to authorities;

(iii) to the extent that suspected elder financial exploitation is currently being reported—

(I) information regarding which Federal, State, and local agencies are receiving reports, including adult protective services, law enforcement, industry, regulators, and professional licensing boards;

(II) information regarding what information is being collected by such agencies; and

(III) information regarding the actions that are taken by such agencies upon receipt of the report and any limits on the agencies' ability to prevent exploitation, such as jurisdictional limits, a lack of expertise, resource challenges, or limiting criteria with regard to the types of victims they are permitted to serve;

(iv) an analysis of gaps that may exist in empowering Federal, State, and local agencies to prevent senior exploitation or respond effectively to suspected senior financial exploitation; and

(v) an analysis of the legal hurdles that prevent Federal, State, and local agencies from effectively partnering with each other and private professionals to effectively respond to senior financial exploitation.

(3) SENIOR CITIZEN DEFINED.—In this subsection, the term ''senior citizen'' means an individual over the age of 65.

**SEC. 205. IMPROVING DISCLOSURE FOR INVESTORS.**

(a) PROMULGATION OF RULES.—Not later than 180 days after the date of the enactment of this section, the Securities and Exchange Commission shall propose and, not later than 1 year after the date of the enactment of this section, the Commission shall finalize rules, regulations, amendments, or interpretations, as appropriate, to allow a covered entity to satisfy the entity's obligation to deliver regulatory documents required under the securities laws to investors using electronic delivery.

(b) REQUIRED PROVISIONS.—Rules, regulations, amendments, or interpretations the Commission promulgates pursuant to subsection (a) shall:

(1) With respect to investors that do not receive all regulatory documents by electronic delivery, provide for—

(A) delivery of an initial communication in paper form regarding electronic delivery;

(B) a transition period not to exceed 180 days until such regulatory documents are delivered to such investors by electronic delivery; and

(C) during a period not to exceed 2 years following the transition period set forth in subparagraph (B), delivery of an annual notice in paper form solely reminding such investors of the ability to opt out of electronic delivery at any time and receive paper versions of regulatory documents.

(2) Set forth requirements for the content of the initial communication described in paragraph (1)(A).

(3) Set forth requirements for the timing of delivery of a notice of website availability of regulatory documents and the content of the appropriate notice described in subsection (g)(3)(B).

(4) Provide a mechanism for investors to opt out of electronic delivery at any time and receive paper versions of regulatory documents.

(5) Require measures reasonably designed to identify and remediate failed electronic deliveries of regulatory documents.

(6) Set forth minimum requirements regarding readability and retainability for regulatory documents that are delivered electronically.

(7) For covered entities other than brokers, dealers, investment advisers registered with the Commission, and investment companies, require measures reasonably designed to ensure the confidentiality of personal information in regulatory documents that are delivered to investors electronically.

(c) EXEMPTION FROM CERTAIN REQUIREMENTS.—Section 101(c) of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001(c)) shall not apply with respect to a regulatory document delivered in accordance with this section.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as altering the substance or timing of any regulatory document obligation under the securities laws or regulations of a self-regulatory organization.

(e) TREATMENT OF REVISIONS NOT COMPLETED IN A TIMELY MANNER.—If the Commission fails to finalize the rules, regulations, amendments, or interpretations required under subsection (a) before the date specified in such subsection—

(1) a covered entity may deliver regulatory documents using electronic delivery in accordance with subsections (b) and (c); and

(2) such electronic delivery shall be deemed to satisfy the obligation of the covered entity to deliver regulatory documents required under the securities laws.

(f) OTHER REQUIRED ACTIONS.—

(1) REVIEW OF RULES.—The Commission shall—

(A) within 180 days of the date of enactment of this Act, conduct a review of the rules and regulations of the Commission to determine whether any such rules or regulations require delivery of written documents to investors; and

(B) within 1 year of the date of enactment of this Act, promulgate amendments to such rules or regulations to provide that any requirement to deliver a regulatory document ''in writing'' may be satisfied by electronic delivery.

(2) ACTIONS BY SELF-REGULATORY ORGANIZATIONS.—Each self-regulatory organization shall adopt rules and regulations, or amend the rules and regulations of the self-regulatory organization, consistent with this section and consistent with rules, regulations, amendments, or interpretations finalized by the Commission pursuant to subsection (a).

(3) RULE OF APPLICATION.—This subsection shall not apply to a rule or regulation issued pursuant to a Federal statute if that Federal statute specifically requires delivery of paper documents to investors.

(g) DEFINITIONS.—In this section:

(1) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(2) COVERED ENTITY.—The term ''covered entity'' means—

(A) an investment company (as defined in section 3(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(a)(1))) that is registered under such Act;

(B) a business development company (as defined in section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a))) that has elected to be regulated as such under such Act;

(C) a registered broker or dealer (as such terms are defined, respectively, in paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)));

(D) a registered municipal securities dealer (as defined in section 3(a)(30) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(30)));

(E) a registered government securities broker or government securities dealer (as such terms are defined, respectively, in paragraphs (43) and (44) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)));

(F) a registered investment adviser (as defined in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-1(a)(11)));

(G) a registered transfer agent (as defined in section 3(a)(25) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(25))); or

(H) a registered funding portal (as defined in the second paragraph (80) of section 3(a) of the

*Securities Exchange Act of 1934 (15 U.S.C. 78c(a))).*

*(3) ELECTRONIC DELIVERY.—The term ''electronic delivery'', with respect to regulatory documents, includes—*

*(A) the direct delivery of such regulatory document to an electronic address of an investor;*

*(B) the posting of such regulatory document to a website, and direct delivery of an appropriate notice of the availability of the regulatory document to an electronic address of the investor; or*

*(C) any other electronic method reasonably designed to ensure receipt of such regulatory document by the investor.*

*(4) REGULATORY DOCUMENTS.—The term ''regulatory documents'' includes—*

*(A) prospectuses meeting the requirements of section 10(a) of the Securities Act of 1933 (15 U.S.C. 77j(a));*

*(B) summary prospectuses meeting the requirements of—*

*(i) section 230.498 of title 17, Code of Federal Regulations; or*

*(ii) section 230.498A of title 17, Code of Federal Regulations;*

*(C) statements of additional information, as described under section 270.30e–3(h)(2) of title 17, Code of Federal Regulations;*

*(D) annual and semi-annual reports to investors meeting the requirements of section 30(e) of the Investment Company Act of 1940 (15 U.S.C. 80a–29(e));*

*(E) notices meeting the requirements under section 270.19a–1 of title 17, Code of Federal Regulations;*

*(F) confirmations and account statements meeting the requirements under section 240.10b of title 17, Code of Federal Regulations;*

*(G) proxy statements meeting the requirements under section 240.14a–3 of title 17, Code of Federal Regulations;*

*(H) privacy notices meeting the requirements of Regulation S–P under subpart A of part 248 of title 17, Code of Federal Regulations;*

*(I) affiliate marketing notices meeting the requirements of Regulation S–AM under subpart B of part 248 of title 17, Code of Federal Regulations; and*

*(J) all other regulatory documents required to be delivered by covered entities to investors under the securities laws and the rules and regulations of the Commission and the self-regulatory organizations.*

*(5) SECURITIES LAWS.—The term ''securities laws'' has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).*

*(6) SELF-REGULATORY ORGANIZATION.—The term ''self-regulatory organization'' means—*

*(A) a self-regulatory organization, as defined in section 3(a)(26) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(26)); and*

*(B) the Municipal Securities Rulemaking Board.*

*(7) WEBSITE.—The term ''website'' means an internet website or other digital, internet, or electronic-based information repository, including a mobile application.*

***SEC. 206. INCREASING INVESTOR OPPORTUNITIES.***

*(a) IN GENERAL.—Section 5 of the Investment Company Act of 1940 (15 U.S.C. 80a–5) is amended by adding at the end the following:*

*''(d) CLOSED-END COMPANY AUTHORITY TO INVEST IN PRIVATE FUNDS.—*

*''(1) IN GENERAL.—Except as otherwise prohibited or restricted by this Act (or any rule issued under this Act), the Commission may not prohibit or otherwise limit a closed-end company from investing any or all of the assets of the closed-end company in securities issued by private funds.*

*''(2) OTHER RESTRICTIONS ON COMMISSION AUTHORITY.—Except as otherwise prohibited or restricted by this Act (or any rule issued under this Act), the Commission may not impose any condition on, restrict, or otherwise limit—*

*''(A) the offer to sell, or the sale of, securities issued by a closed-end company that invests, or proposes to invest, in securities issued by private funds; or*

*''(B) the listing of the securities of a closed-end company described in subparagraph (A) on a national securities exchange.*

*''(3) UNRELATED RESTRICTIONS.—The Commission may impose a condition on, restrict, or otherwise limit an activity described in paragraph (1) or subparagraph (A) or (B) of paragraph (2) if that condition, restriction, or limitation is unrelated to the underlying characteristics of a private fund or the status of a private fund as a private fund.*

*''(4) RULE OF APPLICATION.—Notwithstanding section 6(f), this subsection shall also apply to a closed-end company that elects to be treated as a business development company pursuant to section 54.''.*

*(b) DEFINITION OF PRIVATE FUND.—Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)) is amended by adding at the end the following:*

*''(55) The term 'private fund' has the meaning given in section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)).''.*

*(c) TREATMENT BY NATIONAL SECURITIES EXCHANGES.—Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended by adding at the end the following:*

*''(m)(1) Except as otherwise prohibited or restricted by rules of the exchange that are consistent with section 5(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–5(d)), an exchange may not prohibit, condition, restrict, or impose any other limitation on the listing or trading of the securities of a closed-end company when the closed-end company invests, or may invest, some or all of the assets of the closed-end company in securities issued by private funds.*

*''(2) In this subsection—*

*''(A) the term 'closed-end company'—*

*''(i) has the meaning given the term in section 5(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–5(a)); and*

*''(ii) includes a closed-end company that elects to be treated as a business development company pursuant to section 54 of the Investment Company Act of 1940 (15 U.S.C. 80a–53); and*

*''(B) the term 'private fund' has the meaning given in section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)).''.*

*(d) INVESTMENT LIMITATION.—Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—*

*(1) in paragraph (1), in the matter preceding subparagraph (A), in the second sentence, by striking ''subparagraphs (A)(i) and (B)(i)'' and inserting ''subparagraphs (A)(i), (B)(i), and (C)''; and*

*(2) in paragraph (7)(D), by striking ''subparagraphs (A)(i) and (B)(i)'' and inserting ''subparagraphs (A)(i), (B)(i), and (C)''.*

*(e) RULES OF CONSTRUCTION.—*

*(1) Nothing in this section or the amendments made by this section may be construed to limit or amend any fiduciary duty owed to a closed-end company (as defined in section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–5(a)(2))) or by an investment adviser (as defined under section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a))) to a closed-end company.*

*(2) Nothing in this section or the amendments made by this section may be construed to limit or amend the valuation, liquidity, or redemption requirements or obligations of a closed-end company (as defined in section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–5(a)(2))) as required by the Investment Company Act of 1940.*

## *TITLE III—STRENGTHENING PUBLIC MARKETS*

***SEC. 301. ENCOURAGING LOCAL EMERGING VENTURES AND ECONOMIC GROWTH.***

*Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)) is amended—*

*(1) in paragraph (1)(K), by striking ''years,'' and inserting ''years (or, in the case of an emerging growth company, not more than the two preceding years),''; and*

*(2) by adding at the end the following:*

*''Any issuer may confidentially submit to the Commission a draft registration statement for confidential nonpublic review by the staff of the Commission prior to public filing, provided that the initial confidential submission and all amendments thereto shall be publicly filed with the Commission not later than 10 days before listing on a national securities exchange. Notwithstanding any other provision of this title, the Commission shall not be compelled to disclose any information provided to or obtained by the Commission pursuant to this subsection. For purposes of section 552 of title 5, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. Information described in or obtained pursuant to this subsection shall be deemed to constitute confidential information for purposes of section 24.''.*

***SEC. 302. ACCESS TO SMALL BUSINESS INVESTOR CAPITAL.***

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

*(1) ACQUIRED FUND.—The term ''Acquired Fund'' has the meaning given the term in Forms N–1A, N–2, and N–3.*

*(2) ACQUIRED FUND FEES AND EXPENSES.—The term ''Acquired Fund Fees and Expenses'' means the Acquired Fund Fees and Expenses sub-caption in the Fee Table Disclosure.*

*(3) BUSINESS DEVELOPMENT COMPANY.—The term ''business development company'' has the meaning given the term in section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)).*

*(4) FEE TABLE DISCLOSURE.—The term ''Fee Table Disclosure'' means the fee table described in Item 3 of Form N–1A, Item 3 of Form N–2, or Item 4 of Form N–3 (as applicable, and with respect to each, in any successor fee table disclosure that the Securities and Exchange Commission adopts).*

*(5) FORM N–1A.—The term ''Form N–1A'' means the form described in section 274.11A of title 17, Code of Federal Regulations, or any successor regulation.*

*(6) FORM N–2.—The term ''Form N–2'' means the form described in section 274.11a–1 of title 17, Code of Federal Regulations, or any successor regulation.*

*(7) FORM N–3.—The term ''Form N–3'' means the form described in section 274.11b of title 17, Code of Federal Regulations, or any successor regulation.*

*(8) REGISTERED INVESTMENT COMPANY.—The term ''registered investment company'' means an investment company, as defined under section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(a)), registered with the Securities and Exchange Commission under such Act.*

*(b) EXCLUDING BUSINESS DEVELOPMENT COMPANIES FROM ACQUIRED FUND FEES AND EXPENSES.—A registered investment company may, on any investment company registration statement filed pursuant to section 8(b) of the Investment Company Act of 1940 (15 U.S.C. 80a–8(b)), omit from the calculation of Acquired Fund Fees and Expenses those fees and expenses that the investment company incurred indirectly as a result of investment in shares of one or more Acquired Funds that is a business development company.*

***SEC. 303. ENCOURAGING PUBLIC OFFERINGS.***

*(a) EXPANDING TESTING THE WATERS.—Section 5(d) of the Securities Act of 1933 (15 U.S.C. 77e(d)) is amended—*

*(1) by striking ''Notwithstanding'' and inserting the following:*

''(1) IN GENERAL.—Notwithstanding'';

(2) by striking ''an emerging growth company or any person authorized to act on behalf of an emerging growth company'' and inserting ''an issuer or any person authorized to act on behalf of an issuer''; and

(3) by adding at the end the following:

''(2) ADDITIONAL REQUIREMENTS.—

''(A) IN GENERAL.—The Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the engaging in oral or written communications described under paragraph (1) by an issuer other than an emerging growth company as the Commission determines appropriate.

''(B) REPORT TO CONGRESS.—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.''.

(b) CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS.—Section 6(e) of the Securities Act of 1933 (15 U.S.C. 77f(e)) is amended—

(1) in the heading, by striking ''EMERGING GROWTH COMPANIES'' and inserting ''CONFIDENTIAL REVIEW OF DRAFT REGISTRATION STATEMENTS'';

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Any issuer may, with respect to an initial public offering, initial registration of a security of the issuer under section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)), or follow-on offering, confidentially submit to the Commission a draft registration statement, for confidential nonpublic review by the staff of the Commission prior to public filing, provided that the initial confidential submission and all amendments thereto shall be publicly filed with the Commission not later than—

''(A) in the case of an initial public offering, 10 days before the effective date of such registration statement;

''(B) in the case of an initial registration of a security of the issuer under such section 12(b), 10 days before listing on an exchange; or

''(C) in the case of any offering after an initial public offering or an initial registration under such section 12(b), 48 hours before the effective date of such registration statement.

''(2) ADDITIONAL REQUIREMENTS.—

''(A) IN GENERAL.—The Commission may promulgate regulations, subject to public notice and comment, to impose such other terms, conditions, or requirements on the submission of draft registration statements described under this subsection by an issuer other than an emerging growth company as the Commission determines appropriate.

''(B) REPORT TO CONGRESS.—Prior to any rulemaking described under subparagraph (A), the Commission shall submit to Congress a report containing a list of the findings supporting the basis of the rulemaking.''.

**SEC. 304. GREENLIGHTING GROWTH.**

(a) SECURITIES ACT OF 1933.—Section 7(a)(2) of the Securities Act of 1933 (15 U.S.C. 77g(a)(2)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

''(B) need not present acquired company financial statements or information otherwise required under section 210.3–05 or section 210.8–04 of title 17, Code of Federal Regulations, or any successor thereto, for any period prior to the earliest audited period of the emerging growth company presented in connection with its initial public offering and, thereafter, in no event shall an issuer that was an emerging growth company but is no longer an emerging growth company be required to present financial statements of the issuer (or acquired company financial statements or information otherwise required under section 210.3–05 or section 210.8–04 of title 17, Code of Federal Regulations, or any successor thereto) for any period prior to the earliest audited period of the emerging growth company presented in connection with its initial public offering; and''.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 12(b)(1)(K) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(b)(1)(K)) is amended by striking ''firm'' and inserting ''firm, provided that the application of an emerging growth company need not present acquired company financial statements or information otherwise required under section 210.3–05 or section 210.8–04 of title 17, Code of Federal Regulations, or any successor thereto, for any period prior to the earliest audited period of the emerging growth company presented in connection with its application and, thereafter, in no event shall an issuer that was an emerging growth company but is no longer an emerging growth company be required to present financial statements of the issuer (or acquired company financial statements or information otherwise required under section 210.3–05 or section 210.8–04 of title 17, Code of Federal Regulations, or any successor thereto) for any period prior to the earliest audited period of the emerging growth company presented in connection with any application under this subsection''.

**SEC. 305. MIDDLE MARKET IPO COST.**

(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.

**SEC. 306. EXPANDING WKSI ELIGIBILITY.**

(a) IN GENERAL.—For purposes of the Federal securities laws, and regulations issued thereunder, an issuer shall be a ''well-known seasoned issuer'' if—

(1) the aggregate market value of the voting and non-voting common equity held by non-affiliates of the issuer is $400,000,000 or more (as determined under Form S–3 general instruction I.B.1. as in effect on the date of enactment of this Act); and

(2) the issuer otherwise satisfies the requirements of the definition of ''well-known seasoned issuer'' contained in section 230.405 of title 17, Code of Federal Regulations (as in effect on the date of enactment of this Act) without reference to any requirement in such definition relating to minimum worldwide market value of outstanding voting and non-voting common equity held by non-affiliates.

(b) REPORT ON WITHDRAWN APPLICATIONS RELATED TO WELL-KNOWN SEASONED ISSUER STATUS.—The Securities and Exchange Commission shall, not later than 90 days after the end of each calendar year, publish the total number of applications submitted during such calendar year where the applicant—

(1) submitted the application under section 230.405 of title 17, Code of Federal Regulations, for a determination by the Commission that the applicant not be considered an ineligible issuer under such section;

(2) requested such determination in order to meet the definition of a well-known seasoned issuer under such section; and

(3) withdrew the application.

**SEC. 307. ENHANCING MULTI-CLASS SHARE DISCLOSURES.**

Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following:

''(l) DISCLOSURE RELATING TO MULTI-CLASS SHARE STRUCTURES.—

''(1) DISCLOSURE.—The Commission shall, by rule, require each issuer with a multi-class share structure to disclose the information described in paragraph (2) in any proxy or consent solicitation material for an annual meeting of the shareholders of the issuer, or any other filing as the Commission determines appropriate.

''(2) CONTENT OF DISCLOSURE.—A disclosure made under paragraph (1) shall include, with respect to each person who is a director, director nominee, or named executive officer of the issuer, or who is the beneficial owner of securities with 5 percent or more of the total combined voting power of all classes of securities entitled to vote in the election of directors—

''(A) the number of shares of all classes of securities entitled to vote in the election of directors beneficially owned by such person, expressed as a percentage of the total number of the outstanding securities of the issuer entitled to vote in the election of directors; and

''(B) the amount of voting power held by such person, expressed as a percentage of the total combined voting power of all classes of the securities of the issuer entitled to vote in the election of directors.

''(3) MULTI-CLASS SHARE STRUCTURE.—In this subsection, the term 'multi-class share structure' means a capitalization structure that contains 2 or more types of securities that have differing amounts of voting rights in the election of directors.''.

The Acting CHAIR. No further amendment to the bill, as amended, shall be in order except those printed in Part B of House Report 119–399. Each such further amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall

be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

□ 2040

AMENDMENT NO. 1 OFFERED BY MR. SELF

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 119–399.

Mr. SELF. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Strike section 307.

The Acting CHAIR. Pursuant to House Resolution 936, the gentleman from Texas (Mr. SELF) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. SELF. Mr. Chairman, I rise in support of my amendment to H.R. 3383 to strike section 307.

Section 307 directs the SEC to issue new rules forcing issuers with multi-class share structures to include prescribed ownership and voting-power disclosures in annual-meeting proxy or consent materials, and potentially other filings.

That is statutory micromanagement and another compliance mandate. More fundamentally, Washington should not be holding investors' hands. The key facts about control and voting rights are already available to the market through public filings and governing documents, and investors can decide for themselves whether they want to buy into a multi-class structure.

My amendment keeps this package focused on capital formation and avoids turning it into another paperwork bill.

Mr. Chairman, I urge adoption, and I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentlewoman from California is recognized for 5 minutes.

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

Mr. Chair, I oppose Mr. SELF's amendment to strike section 307 of the INVEST Act.

Section 307 is identical to H.R. 3357 sponsored by guess who? It is sponsored by Mr. MEEKS.

It closes gaps in the disclosures made to investors where there are multi-class government structures. Companies that use these structures offer different share classes, such classes having different rights like voting rights. These structures can allow corporate insiders to retain an outsize amount of voting power relative to their shares.

For instance, Mark Zuckerberg has been able to consolidate control over Facebook, and now Meta, primarily due to the dual-class share structure that he established. This structure allows him and a small group of insiders to hold class B shares which have 10 times the voting power of the class A shares sold on the open market.

As a result, Zuckerberg has maintained nearly 60 percent of the voting power in Facebook, even though his shares account for only about 18 percent of shares.

Mr. MEEKS' provision was recommended by the SEC's Investors Advisory Committee and passed out of committee with unanimous support, and it has also passed both this Congress and the prior two nearly unanimously.

Investors should have the clearest information available to make the best decision for themselves, but Mr. SELF's amendment would deny them that.

Mr. Chair, I therefore encourage all Members to vote against this amendment, and I reserve the balance of my time.

Mr. SELF. I say, again, Mr. Chairman, the information that she is referencing is already readily discoverable by investors, and they have the choice whether or not they want to invest in a multi-class structure.

I will tell you, Mr. Chair, this section 307 specifically targets directors, director nominees, named executive officers, and any holder with 5 percent or more of total combined voting power. It requires their share ownership and voter power to be expressed as percentages.

Mr. Chairman, investors are not children. The Federal Government should not be in the business of holding investors' hands over congressionally mandated proxy script disclosures. This section turns a capital formation package into another compliance mandate by hardwiring a one-size-fits-all disclosure regime into statutes instead of letting the markets and existing disclosures do their jobs.

Striking section 307 keeps the INVEST Act focused on expanding opportunity and liquidity rather than adding a new paperwork burden for public companies. If the goal of this bill is to increase investor opportunities and expand public markets, then Congress should be cutting friction, not adding a new compliance hook that falls on public companies and ultimately on shareholders.

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

Ms. WATERS. Mr. Chair, I yield 2 minutes to the gentlewoman from Missouri (Mrs. WAGNER) to speak in opposition to Mr. SELF's amendment.

Mrs. WAGNER. Mr. Chairman, I rise in respectful opposition to this amendment which would remove an important provision from the INVEST Act. Section 307 is not new or untested policy. This exact language passed the House floor earlier this Congress as H.R. 3357, the Enhancing Multi-Class Share Disclosure Act, with overwhelming bipartisan support.

Multi-class share structures date back to the late 1800s and were first conceived to allow companies, particularly family enterprises, to maintain control over voting decisions even without holding a majority of shares. These structures have become increasingly common, particularly among newer public companies.

Currently the SEC does not require the company to disclose the disparity between an individual's equity ownership and their controlling or controlled voting shares, though many companies already voluntarily provide this information.

Section 307 simply standardizes the information shareholders receive in proxy materials by requiring this information be provided in a consistent manner when it comes to voting power, particularly from the officers, directors, and those with more than a 5 percent stake.

This is a thoughtful, balanced approach. It enhances transparency for retail investors while preserving multi-class structures as a mechanism to encourage founders to go public. We are not banning these structures. We are simply ensuring investors understand what they are buying before they invest.

Enhanced disclosures protect retail investors who may not have the resources or expertise to navigate complex corporate structures. It levels the playing field by providing the same information to all market participants.

Given the strong bipartisan support, Mr. Chair, this provision has already received, I respectfully urge my colleagues to oppose this amendment and retain section 307.

Ms. WATERS. Mr. Chairman, I have the greatest respect for the gentlewoman from Missouri and have enjoyed working with her, but she tends not only to agree with me on this amendment but she feels very strongly about it. I urge my colleagues to reject this amendment so that investors have the basic information they need about a company's governing structure to make the best investment decisions for themselves.

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

Mr. SELF. Mr. Chair, as the chairwoman referenced, organizations that want to do this are already doing it voluntarily. We should not add micromanagement to it.

Mr. Chair, I urge adoption of this amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. SELF).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. SELF. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 2 OFFERED BY MR. SELF

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in part B of House Report 119–399.

Mr. SELF. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 9, line 14, insert after the first period the following: ''This subsection may not be construed to authorize expenditures for additional full-time equivalent employees.''.

The Acting CHAIR. Pursuant to House Resolution 936, the gentleman from Texas (Mr. SELF) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

□ 2050

Mr. SELF. Mr. Chair, I rise in support of my amendment of H.R. 3383, the INVEST Act.

Section 105 creates offices of small business within key SEC divisions to coordinate on capital formation priorities. My amendment makes one commonsense clarification. It says this subsection may not be construed to authorize expenditures for additional full-time equivalent employees.

In other words, if the SEC wants better coordination for small businesses, it should do so with existing resources, not by treating this bill as a blank check for new hires. This keeps the policy goal intact while protecting taxpayers.

I urge adoption, and I reserve the balance of my time.

Ms. WATERS. Mr. Chair, I claim the time in opposition.

The Acting CHAIR. The gentlewoman from California is recognized for 5 minutes.

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

I oppose Mr. SELF's amendment to limit the ability of the SEC to carry out its mandate in section 105.

Section 105, which is identical to H.R. 4449, sponsored by Mr. VICENTE GONZALEZ and Mr. GARBARINO, directs the SEC to promote and protect small businesses by creating a small business office within each rulemaking division of the SEC, ensuring that the SEC has small business experts across the agency.

Mr. GONZALEZ' provision will ensure that the SEC rules are tailored to the needs of small businesses.

Mr. SELF's amendment makes this provision impossible to implement by blocking the SEC from hiring any new employees to carry out the work.

At a time when small businesses are struggling to stay afloat due to the impacts of Trump's harmful tariffs and disastrous economic policies, it is crucial that small businesses are represented through every step of the regulatory process.

If we are serious about helping small businesses, we must make sure our regulators have the expertise needed to support them. I, therefore, encourage all Members to vote ''no'' on this amendment.

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

Mr. SELF. Mr. Chair, I yield to the gentlewoman from Missouri (Mrs. WAGNER).

Mrs. WAGNER. Mr. Chair, I thank the gentleman for yielding.

I rise in support of the gentleman from Texas' amendment. This is a commonsense clarification that ensures section 105 cannot be misinterpreted as a blank check for expanding the Federal bureaucracy.

The INVEST Act is about modernizing our capital markets and expanding opportunities for investors and entrepreneurs, not about growing government.

This amendment provides helpful statutory clarity that protects taxpayers while preserving the important work this legislation accomplishes. I thank the gentleman from Texas for his amendment, and I urge my colleagues to support it.

Ms. WATERS. Mr. Chair, with costs soaring and small businesses struggling to weather the impacts of the Trump tariffs and his administration's war on small businesses, it is crucial that we do what we can to make sure government is working for them, not against them.

I urge my colleagues to vote ''no'' on this amendment.

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

Mr. SELF. Mr. Chair, I will point out that those words are dangerous words, ''do what we can,'' because normally that means we are going to spend a lot more money. Congress, in this case, should not accidentally write an open-ended staffing authorization into statute just because we want better cooperation. This is a narrow, practical guardrail that keeps the INVEST Act focused on capital formation instead of quietly growing bureaucracy.

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

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. SELF).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MS. WATERS

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 119–399.

Ms. WATERS. Mr. Chair, as the designee of Ms. GARCIA of Texas, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following:

**TITLE IV—ACCOUNTABILITY AND TRANSPARENCY BY FOREIGN HEDGE FUNDS**

**SEC. 401. KNOW YOUR CUSTOMER AND ANTI-MONEY LAUNDERING REQUIREMENTS FOR FOREIGN CLIENTS.**

(a) IN GENERAL.—The Secretary of the Treasury shall issue rules to require each investment adviser and hedge fund to comply with know your customer and anti-money laundering requirements under subchapter II of chapter 53 of title 31, United States Code, with respect to the foreign clients of the investment adviser or hedge fund, to the same extent as such requirements apply to financial institutions under such subchapter.

(b) HEDGE FUND DEFINED.—In this section, the term ''hedge fund'' means an issuer that would be an investment company, as defined in the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), but for section 3(c)(1) or 3(c)(7) of that Act.

The Acting CHAIR. Pursuant to House Resolution 936, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. WATERS. Mr. Chair, I rise in support of this amendment originally offered by my colleague, Representative GARCIA. Ms. GARCIA's amendment would make law an important requirement that was already carefully considered and made final by FinCEN, but which has been delayed potentially indefinitely under this administration. Her amendment requires foreign hedge funds to put in place anti-money laundering policies that will ensure the safety of our markets and prevent bad actors from using these funds to launder criminal profits.

During a time when our markets are seeing unprecedented fraud and abuse, we should not wait to increase AML protections. We should not wait for FinCEN. We should do what we can to strengthen our markets now.

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

Mrs. WAGNER. Mr. Chair, I claim the time in opposition.

The Acting CHAIR. The gentlewoman from Missouri is recognized for 5 minutes.

Mrs. WAGNER. Mr. Chair, I rise in opposition to this amendment, which would impose sweeping new regulatory requirements on investment advisers and hedge funds serving foreign clients.

While combating illicit finance and addressing national security threats are critical objectives we all share, this amendment takes the wrong approach, one that FinCEN itself recognized as flawed.

Let's be clear about what happened. The Financial Crimes Enforcement Network, FinCEN, proposed a substantially similar rule and then postponed it before implementation. That postponement wasn't arbitrary. It came after careful consideration of the rules, operational challenges, compliance burdens, and questions about its effectiveness.

This amendment would impose requirements that even the agency charged with combating financial crimes determined needed further review. Investment advisers are already subject to robust oversight under the Investment Advisers Act of 1940. They owe a fiduciary duty to their clients and must comply with comprehensive

Federal securities laws and regulations.

The SEC has extensive authority to examine advisers and enforce compliance. Moreover, imposing duplicative know-your-customer and anti-money laundering requirements specifically on foreign clients creates a two-tiered system that could harm U.S. competitiveness and global capital markets. International investors would face additional barriers when working with American advisers, potentially driving capital and business relationships to foreign jurisdictions with less stringent oversight.

If we believe gaps exist in our anti-money laundering framework, the solution is thoughtful, coordinated rulemaking by the appropriate agencies, not legislating requirements that are still under active consideration by FinCEN.

I urge my colleagues to reject this amendment and allow our Financial Crimes Enforcement Network to develop effective, practical solutions rather than imposing requirements they themselves abandoned.

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

Ms. WATERS. Mr. Chair, I reserve the right to close.

Mrs. WAGNER. Mr. Chair, I am prepared to close.

□ 2100

The Acting CHAIR (Mr. WIED). The gentlewoman from Missouri has the right to close.

The gentlewoman from California is recognized.

Ms. WATERS. Mr. Chair, I reserve the right to close.

The Acting CHAIR. The gentlewoman from Missouri has the right to close.

Mrs. WAGNER. Mr. Chair, has the gentlewoman— The Acting CHAIR. The gentlewoman from California is recognized.

Mrs. WAGNER. Okay.

Ms. WATERS. Mr. Chairman, I believe I have the right to close. Are you indicating that I do not have the right to close?

The Acting CHAIR. The gentlewoman from Missouri has the right to close as the manager in opposition to the amendment.

Mrs. WAGNER. I would ask the Chair who is closing first: the gentlewoman from California (Ms. WATERS) or myself?

The Acting CHAIR. The gentlewoman from Missouri has the right to close.

Mrs. WAGNER. Thank you, Mr. Chair.

The Acting CHAIR. The Chair recognizes the gentlewoman from California.

Ms. WATERS. I have the right to close?

The Acting CHAIR. You do not.

Ms. WATERS. Mr. Chair, if I don't have the right to close, I am prepared to close, and I yield myself the balance of my time.

The Acting CHAIR. The gentlewoman is recognized.

Ms. WATERS. Mr. Chair, I encourage all Members to vote ''yes'' on Ms. GARCIA's amendment to strengthen the Bank Secrecy Act and anti-money laundering requirements for foreign investment advisers. This reasonable and well-considered provision will ensure increased safety for our markets from abuse by terrorists, prohibited entities, and other bad actors abroad.

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

Mrs. WAGNER. Mr. Chairman, I rise one more time in closing to oppose this amendment by Ms. GARCIA that requires investment advisers and hedge funds to perform know-your-customer verifications and implement anti-money laundering procedures for foreign clients. It is a sweeping new regulatory requirement on investment advisers and hedge funds that serve foreign clients.

Mr. Chair, I will be clear here that if we believe that any kind of gaps exist in our anti-money laundering frame, the solution that we have is thoughtful, coordinated rulemaking by the appropriate agencies. Obviously, FinCEN is still actively considering how to move forward.

Mr. Chair, I urge my colleagues to oppose this amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Ms. WATERS. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from California will be postponed.

AMENDMENT NO. 4 OFFERED BY MS. WATERS

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 119–399.

Ms. WATERS. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

In title III, add at the end the following:

**SEC. 308. INVESTOR OPPORTUNITY AND ACCESS TO CAPITAL THROUGH TRANSPARENCY.**

(a) ADDITIONAL REQUIREMENT FOR ISSUERS RELYING ON REGULATION D.—

(1) FILLING OF FORM D.—Not later than 1 year after the date of the enactment of this Act, the Securities and Exchange Commission shall amend sections 230.503 through 230.508 of title 17, Code of Federal Regulations (in this section referred to as ''Regulation D'') to require any issuer that offers securities in reliance on section 230.506(c) of title 17, Code of Federal Regulations (in this section referred to as ''Rule 506(c)''), and has not previously filed a Form D under section 239.500 of title 17, Code of Regulations, for the offering to file an Advance Form D with the Commission not later than 15 calendar days before the first use of general solicitation or general advertising for the offering.

(2) CONTENTS OF ADVANCE FORM D.—In amending Regulation D pursuant to paragraph (1), the Commission shall—

(A) determine the information needed from each issuer in each Advance Form D to allow the Commission to understand the overall marketplace for securities offerings in reliance on Rule 506(c);

(B) require issuers to include in each Advance Form D—

(i) any information the Commission determines is necessary pursuant to subparagraph (A);

(ii) the issuer's identity;

(iii) the issuer's principal place of business and contact information;

(iv) a means of verifying the accuracy of the issuer's identifying and contact information, such as a link to the issuer's registration with a Secretary of State, BrokerCheck, or such other form of verification as the Commission determines appropriate;

(v) related persons, including control persons, promoters, general partners, placement agents, portals and platforms, verification providers, auditors, administrators, custodians, valuation agents, and all recipients of sales compensation;

(vi) industry group;

(vii) Federal exemptions and exclusions claimed;

(viii) type of filing;

(ix) each type of securities offered, to the extent such information is known at the time of the filing of the Advance Form D;

(x) business combination transaction;

(xi) sales compensation, to the extent such information is known at the time of the filing of the Advance Form D;

(xii) use of proceeds; and

(xiii) such other information as the Commission may require;

(C) specify that the failure of an issuer who offers securities in reliance on Rule 506(c) and has not previously filed a Form D for the offering to file an Advance Form D with the Commission shall result in loss of the exemption from registration for the offering for which the issuer failed to file the Advance Form D; and

(D) specify that the issuer shall certify that the information stated on the Advance Form D is truthful and accurate.

(b) AMENDMENTS TO FORM D.—

(1) FILING OF AN AMENDED FORM D.—Not later than 1 year after the date of the enactment of this Act, the Commission shall amend sections 230.500 and 230.503 of title 17, Code of Federal Regulations, to—

(A) require an issuer to file an amendment to a previously filed notice for an offering—

(i) to provide the information required by Form D for each new offering of securities in reliance on Rule 506(c) not later than 15 calendar days after the first sale of securities in the offering;

(ii) to correct a material mistake of fact or error in the previously filed notice, as soon as practicable after discovery of the mistake or error;

(iii) to reflect a change in the information provided in the previously filed notice, other than —

(I) an increase or decrease of less than 5 percent in the amount sold;

(II) a change in the minimum investment amount of less than 10 percent; or

(III) a change to issuer contact information, which shall be updated in the next annual amendment; and

(iv) annually, on or before the date that is 1 year after the date of filing of the most recent previously filed notice, if the offering is continuing at that time;

(B) specify that the failure of an issuer to file an amendment to a previously filed notice for an offering pursuant to subparagraph (A) with the Commission shall result in the

loss of the exemption from registration for the offering for which the issuer failed to file an amendment to the previously filed notice for an offering pursuant to subparagraph (A); and

(C) specify that an issuer shall certify that the information stated on an amended Form D is truthful and accurate.

(2) CLOSING AMENDMENTS.—

(A) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall amend Regulation D to require any issuer who offers securities in reliance on Rule 506(c) to, not later than 30 calendar days after the termination of such offering, file a closing amendment to Form D with the Commission, unless a previously filed Form D amendment for such issuer with respect to the same offering includes the information that would have been disclosed in the amendment following termination of such offering and such previously filed amendment indicates that it is the closing amendment to Form D for the offering.

(B) CONTENTS OF AMENDMENT TO REGULATION D.—In amending Regulation D pursuant to subparagraph (A), the Commission shall—

(i) define the term ''termination of an offering'' as the Commission determines appropriate; and

(ii) specify that the failure of an issuer to file a closing amendment to Form D with the Commission shall result in loss of the exemption from registration for the offering for which the issuer failed to file the closing statement. An offering for which the exemption is lost under this section shall be deemed a sale in violation of section 5 of the Securities Act, and each purchaser shall have a right of rescission under section 12(a), without prejudice to Commission enforcement.

The Acting CHAIR. Pursuant to House Resolution 936, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

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

Mr. Chairman, H.R. 3383 seeks to provide small businesses with more opportunities to access capital. A key avenue for most small companies to raise money is by seeking investments from a small number of accredited investors.

These offerings, made under SEC regulation D, are exempt from registration with the SEC. However, these companies are required to file basic disclosures with the SEC on Form D, which is available to the public. The information provided on Form D is often bare bones, incomplete, or false.

This makes it difficult for investors to understand the parameters of an exempt offering. What is worse, many bad actors located in the United States and all around the world are using reg D to misrepresent that they are SEC compliant, using false information on Form D and posting it to the SEC's public database, EDGAR. These fraudsters tell unsuspecting U.S. investors that they are registered with the SEC.

We must stop these bad actors from using Form D to take hard-earned money out of Americans' savings and putting it into the hands of criminals.

My amendment aims to fix this problem by requiring additional information about the identity of the company and the scope of its offering prior to making any sales. My amendment also requires a company to update Form D when there is a mistake or material change in the information and when the offering is complete.

Furthermore, to prevent fraud, the amendment requires Form D filers to provide additional verification of their identity: who they are, such as registrations with the State Secretary of State, and to certify that the information in the Form D is accurate.

Mr. Chairman, providing false information on Form D would expose the filer to criminal penalties. Form D reforms are a key priority for our States' securities regulators. They argue that many bad actors are harming legitimate businesses needing to raise capital under SEC's regulation D and that Form D reforms would lead to more capital formation.

Mr. Chair, this is simple. It is very clear. I urge my colleagues to support this amendment, and I reserve the balance of my time.

Mrs. WAGNER. Mr. Chair, I rise in opposition to the amendment.

The Acting CHAIR. The gentlewoman from Missouri is recognized for 5 minutes.

Mrs. WAGNER. Mr. Chairman, I rise in strong opposition to this amendment, which would pose a significant obstacle for the same small businesses and startups that we aim to support.

These proposed new requirements would act as a speed bump for smaller issuers. These are not massive Wall Street institutions. These are often first-time founders, small businesses, and innovative startups relying on 506(c) to raise essential seed and growth capital. Adding complex or ambiguous new filing requirements diverts their precious time and scarce resources away from innovation and job creation and toward burdensome compliance.

These additional disclosure burdens will actively discourage the startups and small businesses that desperately need access to this private market capital. They will choose to forgo fundraising altogether rather than navigate this complex, costly, and legally risky environment.

In fact, the Securities and Exchange Commission has examined similar ideas twice in the last decade. In both instances, the market response was a resounding chorus of concern. In both cases, the message was clear: New filing or disclosure obligations would significantly raise costs and ultimately chill early-stage capital formation.

We should be focused on expanding opportunities for American entrepreneurs, not erecting new bureaucratic barriers. We must prioritize a system that makes it easier and not harder for startups and small businesses to secure the capital that they need to grow, hire, and innovate.

Mr. Chair, I urge my colleagues to reject these unnecessary and harmful reporting burdens. I urge a ''no'' vote on this amendment, and I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I reserve the balance of my time.

Mrs. WAGNER. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. MEUSER), the sponsor of the ACCESS Act in this package.

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Mr. MEUSER. Mr. Chairman, I thank Chairwoman WAGNER for her leadership and, with all due respect to our minority leader, I oppose this amendment. I do support the INVEST Act, led by Chairman HILL and subcommittee Chairwoman WAGNER strongly.

The INVEST Act broadens opportunities for everyday Americans to invest in public and private markets, expands access to capital, facilitates capital formation, promotes transparency, and helps charitable organizations build retirement security for their employees.

For example, it allows people to invest in private markets based on their knowledge and experience, whereas previously they could only qualify based on their income.

It encourages new public companies to issue more shares without burdensome regulations so they can focus on hiring and expanding instead of diverting limited resources to filing paperwork with the SEC.

Thanks to Representative HUIZENGA's leadership, investors can now access important disclosure forms electronically for the first time instead of only on paper through the mail.

The INVEST Act also includes my bill, H.R. 3645, the ACCESS Act, which passed the Financial Services Committee earlier this year 51–0. Right now, if a small business uses crowdfunding—which is raising money online for everyday people who want to invest—the moment the business raises more than $100,000, they have to pay for financial statements that can cost up to $10,000. For many start-ups, that is a huge chunk of their money that they are trying to raise. This makes this an improved situation.

The ACCESS Act simply lifts the limit to $250,000 so small businesses can raise the early capital they need. Its inclusion in the INVEST Act is a significant bipartisan step toward making capital formation more practical and affordable.

This legislation puts everyday Americans first and uses the strength of our capital markets to fuel growth on Main Street, not Wall Street. The INVEST Act is a major win for workers, entrepreneurs, and small businesses, and I support its passage.

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

I encourage all Members to vote ''yes'' on my amendment to strengthen information for people investing in private markets. As the opportunities to invest in private companies grow, in particular through measures promoted in this bill, we must take steps to ensure that investors are provided with

accurate and complete information about what they are investing in.

These are simple, commonsense protections that will make a big difference in ensuring accountability for exempt offerings and preventing the proliferation of fraud around form D filings.

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

Mrs. WAGNER. Mr. Chairman, I simply urge my colleagues to reject these unnecessary and harmful reporting burdens, and I ask that they oppose this amendment. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The amendment was rejected.

AMENDMENT NO. 5 OFFERED BY MS. WATERS

The Acting CHAIR. It is now in order to consider amendment No. 5 printed in part B of House Report 119–399.

Ms. WATERS. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following:

**TITLE IV—NO JUNK FEES**

**SEC. 401. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This title may be cited as the ''No Junk Fee Act of 2025''.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:



**SEC. 402. JUNK FEE DEFINED.**

(a) IN GENERAL.—In this title, with respect to a service or a transaction, the term ''junk fee'' means any fee or charge imposed on an investor or consumer that is—

(1) not clearly and conspicuously disclosed prior to the investor or consumer entering into the agreement for the service or transaction; or

(2) excessive and not reasonably related to the actual cost of the service or transaction.

(b) IDENTIFICATION OF SPECIFIC JUNK FEES.—The Securities and Exchange Commission may issue a rule to identify specific fees or charges that are a junk fee under paragraph (1), which may include—

(1) a sales load fee;

(2) a variable performance-based fee;

(3) a fee related to the paper or electronic delivery of regulatory documents;

(4) undisclosed or misleading trading commissions;

(5) excessive or undisclosed markups or markdowns;

(6) padded or mislabeled processing, handling, service, ticket, or platform fees;

(7) mislabeled or marked-up regulatory, registered national securities exchange, ''SEC'', FINRA, or clearing fees;

(8) excessive or unnecessary front-end, back-end, or level sales loads and contingent deferred sales charges where lower-cost or no-load alternatives are available;

(9) the use of higher-cost mutual fund or exchange-traded fund share classes when identical or substantially similar lower-cost share classes are reasonably available;

(10) wrap fees marketed as ''all-in'' that exclude significant trading, product, or platform costs or are charged on largely inactive accounts (commonly referred to as ''reverse churning'');

(11) unreasonable or surprise account maintenance, custodial, or inactivity fees that are not tied to bona fide services;

(12) unreasonable or punitive individual retirement account (''IRA'') or brokerage account termination, closure, or transfer fees that impede switching;

(13) excessive paper statement, confirmation, or tax document fees;

(14) wire, transfer, overnight delivery, or check fees that materially exceed underlying provider costs;

(15) abusive or undisclosed cash sweep arrangements, including sweep of client assets into low-yield or proprietary vehicles;

(16) charging advisory or wrap fees on idle cash;

(17) excessive or opaque margin interest charges and securities borrowing fees;

(18) payment for order flow, internalization arrangements, maker-taker or similar pricing practices, and routing incentives that hide costs or inferior execution quality for customers;

(19) spreads or markups on principal trades;

(20) foreign exchange conversions that are in excess of actual costs associate with the exchange;

(21) revenue-sharing arrangements with product sponsors, custodians, or trading venues that are not clearly disclosed;

(22) receipt of 12b-1 fees, trails, or other distribution-related compensation by registrants or their affiliates, where such compensation and the availability of cheaper alternatives are not clearly disclosed;

(23) undisclosed or unfair soft-dollar or research arrangements effectively causing clients or funds to pay for firm overhead through elevated commissions;

(24) undisclosed or conflicted principal trades or cross trades with embedded markups or markdowns;

(25) subscription, retainer, financial planning, or monitoring fees charged where little or no ongoing service is actually provided;

(26) technology, data, portal, platform, or reporting fees that double-charge investors for core services already covered by other compensation;

(27) add-on ''paperwork,'' ''document handling,'' ''compliance,'' or ''administrative'' fees not tied to incremental, client-specific services;

(28) unreasonable or surprise inactivity or minimum-balance penalties;

(29) private fund monitoring, consulting, transaction, director, or similar portfolio company fees that are undisclosed, duplicative, accelerated, or not properly offset against management fees;

(30) misallocated broken-deal, organizational, or operating expenses charged to clients or funds contrary to disclosures or reasonable expectations;

(31) fees pursuant to complex, opaque, or discriminatory exchange, alternative trading system, and other trading venue fee schedules (including excessive access, connectivity, co-location, port, and market data fees, and opaque tiered or rebate structures) that obscure the true all-in cost of trading or unfairly advantage certain participants;

(32) misleading zero commission or free trading offerings that rely on undisclosed spreads, inferior execution, or hidden monetization of order flow or customer data;

(33) mischaracterized network or gas fees or similar charges where the firm retains undisclosed spreads;

(34) unreasonable or undisclosed early redemption, surrender, or contract change charges in pooled or packaged products; and

(35) any other fee, charge, spread, or rebate that—

(A) is not clearly, prominently, and timely disclosed in plain language before the relevant decision;

(B) is disproportionate to any reasonable estimate of the cost or value of the service provided;

(C) impedes investors from moving or closing accounts or switching products through unreasonable financial penalties; or

(D) is structured or labeled in a manner reasonably likely to mislead, obscure the total economic cost, or exploit information asymmetries or conflicts of interest.

**Subtitle A—Investment Companies**

**SEC. 411. FEE DISCLOSURE REQUIREMENTS FOR INVESTMENT COMPANIES.**

Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a–29) is amended by adding at the end the following:

''(l) FEE DISCLOSURE REQUIREMENTS FOR INVESTMENT COMPANIES.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Commission shall issue rules to enhance fee transparency for registered investment companies.

''(2) REQUIREMENTS.—The rules issued under paragraph (1) shall, at a minimum, require each registered investment company to—

''(A) provide to each prospective investor, before the purchase of any security issued by the registered investment company, a clear and concise disclosure of all fees and expenses that the investor will incur, including management fees, advisory fees, distribution or marketing fees, redemption fees, and any other charges;

''(B) disclose in any prospectus, offering document, or periodic report the total annual fees and expenses of the registered investment company, expressed as a percentage of assets and as a dollar amount for a standard investment amount, such as $10,000, including an itemization of each component fee (such as management fees, 12b–1 or other distribution fees, and administrative costs);

''(C) clearly disclose any one-time or transactional fees, including sales loads, purchase fees, or redemption fees, that may be charged to investors, with an explanation of the purpose of each such fee; and

''(D) present the disclosures required under this section in a prominent location and in plain language and format, as prescribed by the Commission, so that investors can easily understand and compare fee information.''.

**SEC. 412. PROHIBITION ON CERTAIN FEES BY INVESTMENT FUNDS.**

Section 12 of the Investment Company Act of 1940 (15 U.S.C. 80a–12) is amended by adding at the end the following:

''(h) PROHIBITION ON CERTAIN FEES BY INVESTMENT FUNDS.—

''(1) IN GENERAL.—A registered investment company may not charge or collect any junk fee from an investor.

''(2) JUNK FEE DEFINED.—In this subsection, the term 'junk fee' has the meaning given that term in section 402 of the No Junk Fee Act of 2025, as the Commission may further define, by rule.''.

**Subtitle B—Brokers and Dealers**

**SEC. 421. FEE DISCLOSURE REQUIREMENTS FOR BROKERS AND DEALERS.**

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following:

''(p) FEE DISCLOSURE REQUIREMENTS FOR BROKERS AND DEALERS.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Commission shall issue rules to require clear disclosure of all fees and charges imposed by brokers and dealers on retail investors.

''(2) REQUIREMENTS.—The rules issued under paragraph (1) shall require each broker and dealer to—

''(A) furnish to each new retail investor, at the time of account opening, a complete schedule of all fees, charges, and commissions that may be imposed on the investor's account or transactions, including trading commissions, mark-ups or mark-downs on trades, account maintenance or inactivity fees, wire transfer or withdrawal fees, and account closing or transfer fees;

''(B) prominently disclose on each trade confirmation the amount of any commission, fee, or other compensation charged on the transaction, including any payment the broker or dealer receives from third parties in connection with the transaction (such as payment for order flow or other remuneration), expressed in dollar terms or, if not known at the time of transaction, a reasonable estimate thereof;

''(C) provide each retail investor at least annually an itemized summary of all fees and charges paid by that investor over the reporting period, including total commissions, fees, and any other charges deducted from the investor's accounts; and

''(D) maintain a publicly accessible schedule of standard fees and charges on the broker or dealer's website, and update investors in writing of any increases in fees or introduction of new fees at least 30 days before such changes take effect.''.

**SEC. 422. PROHIBITION ON CERTAIN FEES BY BROKERS AND DEALERS.**

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o), as amended by section 421, is further amended by adding at the end the following:

''(q) PROHIBITION ON CERTAIN FEES BY BROKERS AND DEALERS.—

''(1) IN GENERAL.—A broker or dealer may not, directly or indirectly, impose any of the following fees on a retail investor:

''(A) Any account maintenance, closure, or inactivity fee that is not reasonably related to the actual cost of maintaining or closing the investor's account.

''(B) Any surcharge, markup, or add-on fee applied at the time of a transaction's execution or settlement that was not clearly disclosed to the investor before the transaction.

''(C) Any so-called 'processing' or 'paperwork' fee charged to an investor that exceeds the actual administrative cost of the service provided.

''(D) Any undisclosed or misleading trading commissions.

''(E) Fees for services or features that are not actually provided or utilized by a client.

''(F) Fees that are grossly disproportionate to the cost or value of the services provided.

''(G) Any junk fee (as defined in section 402 of the No Junk Fee Act of 2025) as the Commission determines appropriate or necessary to protect investors.

''(2) PROHIBITION ON CERTAIN RELATED PRACTICES BY BROKERS AND DEALERS.—A broker or dealer may not, directly or indirectly, engage in any of the following practices:

''(A) Providing investors with higher-cost mutual fund or exchange-traded fund share classes when identical or substantially similar lower-cost share classes are reasonably available.

''(B) Engaging in any revenue-sharing arrangements with product sponsors, custodians, or trading venues that are not clearly disclosed to investors.

''(C) Characterizing a product or service as a zero commission or free trading product or service, when such product or service relies on undisclosed spreads, inferior execution, or hidden monetization of order flow or customer data.''.

**Subtitle C—Investment Advisers**

**SEC. 431. FEE DISCLOSURE REQUIREMENTS FOR INVESTMENT ADVISERS.**

Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4) is amended by adding at the end the following:

''(g) FEE DISCLOSURE REQUIREMENTS FOR INVESTMENT ADVISERS.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Commission shall issue rules to require investment advisers to provide full and clear disclosure of all fees and compensation to their clients.

''(2) REQUIREMENTS.—The rules issued under subsection (a) shall require an investment adviser to—

''(A) deliver to each client or prospective client, before entering into an advisory agreement, a plain-language fee schedule describing all fees and charges the client will incur for advisory services and any related services or products, including advisory fees (whether fixed, hourly, percentage of assets, or performance-based) and any additional fees for ancillary services or third-party products;

''(B) disclose to each client any compensation the investment adviser or affiliates of the investment adviser receive from third parties in connection with the client's investments or transactions (including referral fees, solicitation fees, or revenue-sharing payments), along with a clear explanation of how such compensation is earned and any conflict of interest it presents;

''(C) provide each client, at least annually, a written summary showing the actual amount of fees paid by the client for advisory services during the period, including advisory fees debited from the account of the client and any other charges directly or indirectly paid by the client to the adviser; and

''(D) prominently disclose, in the investment adviser's Form ADV or equivalent disclosure brochure given to clients, whether the adviser receives any indirect compensation (such as commissions on products or other benefits) and, if so, include a concise explanation of how such compensation is factored into or in addition to the direct fees paid by the client.''.

**SEC. 432. PROHIBITION ON CERTAIN FEES BY INVESTMENT ADVISERS.**

Section 206 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–6) is amended—

(1) by striking ''It shall'' and inserting the following:

''(a) IN GENERAL.—It shall''; and

(2) by adding at the end the following:

''(b) PROHIBITION ON CERTAIN FEES BY INVESTMENT ADVISERS.—

''(1) IN GENERAL.—The Commission may prohibit an investment adviser from, directly or indirectly, charging or collecting any junk fee (as defined in section 402 of the No Junk Fee Act of 2025) if the Commission determines such prohibition to be appropriate or necessary to protect investors, which may include—

''(A) any account maintenance, closure, or inactivity fee that is not reasonably related to the actual cost of maintaining or closing the investor's account;

''(B) any surcharge, markup, or add-on fee applied at the time of a transaction's execution or settlement that was not clearly disclosed to the investor before the transaction;

''(C) any so-called 'processing' or 'paperwork' fee charged to an investor that exceeds the actual administrative cost of the service provided;

''(D) any undisclosed or misleading commissions;

''(E) fees for services or features that are not actually provided or utilized by a client; and

''(F) fees that are grossly disproportionate to the cost or value of the services provided.

''(2) INCLUSION OF CERTAIN RELATED PRACTICES BY INVESTMENT ADVISERS.—In issuing any rule pursuant to paragraph (1), the Commission may also prohibit an investment adviser from, directly or indirectly, engaging in the following practices, if the Commission determines such prohibition to be appropriate or necessary to protect investors:

''(A) Providing investors with higher-cost mutual fund or exchange-traded fund share classes when identical or substantially similar lower-cost share classes are reasonably available.

''(B) Engaging in any revenue-sharing arrangements with product sponsors, custodians, or trading venues that are not clearly disclosed to investors.

''(C) Characterizing a product or service as a zero commission or free trading product or service, when such product or service relies on undisclosed spreads, inferior execution, or hidden monetization of order flow or customer data.

''(3) FIDUCIARY DUTY.—Any violation of paragraph (1) by an investment adviser shall be deemed a breach of the investment adviser's fiduciary duty under this Act.''.

**Subtitle D—Transparency on Fees Collected From Individual Investors**

**SEC. 441. REPORTS BY REGISTERED INVESTMENT COMPANIES.**

Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a–29), as amended by section 411, is further amended by adding at the end the following:

''(m) REPORT ON FEES COLLECTED FROM INDIVIDUAL INVESTORS.—

''(1) IN GENERAL.—Each registered investment company shall annually file with the Commission a report that includes, with respect to the year preceding such report—

''(A) the total amount of fees the registered investment company collected from individual investors with assets in individual accounts;

''(B) the total amount of fees described in subparagraph (A) divided by assets under management ('AUM'); and

''(C) the table described in paragraph (2).

''(2) FEE DISAGGREGATION.—A registered investment company shall, with respect to each total amount reported under paragraph (1)(A), include in each report under such paragraph a table that disaggregates the amount into the following categories:

''(A) The amount of management fees collected.

''(B) The amount of frequent trading fees collected.

''(C) The amount of account inactivity fees collected.

''(D) The amount of transfer agent fees collected.

''(E) The amount of exchange fees collected.

''(F) The amount of low account balance fees collected.

''(G) The amount of account opening fees collected.

''(H) The amount of retirement account rollover fees collected.

''(I) The amount of fees collected other than fees described in subparagraphs (A) through (H).

''(3) PUBLICATION OF DATA.—

''(A) ONLINE DATABASE.—The Commission shall publish the data received under paragraph (1) on an online database (which shall be similar to BrokerCheck) where individual investors can search by registered investment company name.

''(B) VISUAL METER COMPARING REGISTERED INVESTMENT COMPANY FEES.—The online database required under subparagraph (A) shall include, with respect to each registered investment company, a visual meter that—

''(i) indicates whether the registered investment company's fees are, when compared to all other registered investment companies that filed a report under paragraph (1) for the most recent reporting year—

''(I) in the highest quartile, which shall be indicated with a background of red and the word 'high';

''(II) in the 25 percent to 50 percent or 50 percent to 75 percent quartile, which shall be indicated with a background of white and the word 'average'; or

''(III) in lowest quartile, which shall be indicated with a background of green and the word 'low'; and

''(ii) includes—

''(I) a line running perpendicular to the meter that corresponds to the quartile under clause (i) applicable to the registered investment company's fees; and

''(II) the amount of such fees shown clearly next to such line.

''(C) LANDING PAGES OF REGISTERED INVESTMENT COMPANY.—Each registered investment company's landing page (which may contain the regulatory or disciplinary history of the registered investment company, and such other information as the Commission determines useful for investors and account holders) shall include the data required under paragraph (1).

''(4) REPORT TO INDIVIDUAL INVESTORS.—Each registered investment company shall provide an annual individualized fee report to the investors of the registered investment company. Each report shall allow each investor to compare the fees charged to the investor to those charged by other registered investment companies and include a 10-year fee projection, assuming no changes in the products, services, or fee tiers offered. The report shall include—

''(A) the information provided to the Commission under paragraph (1); and

''(B) the information published by the Commission under paragraph (3)(B) relating to such registered investment company.

''(5) FINANCIAL INTERMEDIARIES.—The Commission shall issue a rule to apply the requirements of this subsection to any financial intermediary that functions in the manner of an registered investment company but is not registered as a registered investment company.''.

**SEC. 442. REPORTS BY BROKERS AND DEALERS.**

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o), as amended by section 422, is further amended by adding at the end the following

''(r) REPORT ON FEES COLLECTED FROM INDIVIDUAL INVESTORS.—

''(1) IN GENERAL.—Each broker and dealer shall annually file with the Commission a report that includes, with respect to the year preceding such report—

''(A) the total amount of fees the broker and dealer collected from individual investors with assets in individual accounts;

''(B) the total amount of fees described in subparagraph (A) divided by assets under management ('AUM');

''(C) the average fee paid by an individual account (i.e., the average fee across all investor accounts); and

''(D) the table described in paragraph (2).

''(2) FEE DISAGGREGATION.—Each broker and dealer shall, with respect to each total amount reported under paragraph (1)(A), include in each report under such paragraph a table that disaggregates the amount into the following categories:

''(A) The amount of management fees collected.

''(B) The amount of frequent trading fees collected.

''(C) The amount of account inactivity fees collected.

''(D) The amount of transfer agent fees collected.

''(E) The amount of exchange fees collected.

''(F) The amount of low account balance fees collected.

''(G) The amount of account opening fees collected.

''(H) The amount of retirement account rollover fees collected.

''(I) The amount of fees collected other than fees described in subparagraphs (A) through (H).

''(3) PUBLICATION OF DATA.—

''(A) ONLINE DATABASE.—The Commission shall publish the data received under paragraph (1) on an online database (which shall be similar to BrokerCheck) where individual investors can search by registered investment company name.

''(B) VISUAL METER COMPARING REGISTERED INVESTMENT COMPANY FEES.—The online database required under subparagraph (A) shall include, with respect to each registered investment company, a visual meter that—

''(i) indicates whether the registered investment company's fees are, when compared to all other registered investment companies that filed a report under paragraph (1) for the most recent reporting year—

''(I) in the highest quartile, which shall be indicated with a background of red and the word 'high';

''(II) in the 25 percent to 50 percent or 50 percent to 75 percent quartile, which shall be indicated with a background of white and the word 'average'; or

''(III) in lowest quartile, which shall be indicated with a background of green and the word 'low'; and

''(ii) includes—

''(I) a line running perpendicular to the meter that corresponds to the quartile under clause (i) applicable to the registered investment company's fees; and

''(II) the amount of such fees shown clearly next to such line.

''(C) LANDING PAGES OF REGISTERED INVESTMENT COMPANY.—Each registered investment company's landing page (which may contain the regulatory or disciplinary history of the registered investment company, and such other information as the Commission determines useful for investors and account holders) shall include the data required under paragraph (1).

''(4) REPORT TO INDIVIDUAL INVESTORS.—Each registered investment company shall provide an annual individualized fee report to the investors of the registered investment company. Each report shall allow each investor to compare the fees charged to the investor to those charged by other registered investment companies and include a 10-year fee projection, assuming no changes in the products, services, or fee tiers offered. The report shall include—

''(A) the information provided to the Commission under paragraph (1); and

''(B) the information published by the Commission under paragraph (3)(B) relating to such registered investment company.

''(5) FINANCIAL INTERMEDIARIES.—The Commission shall issue a rule to apply the requirements of this subsection to any financial intermediary that functions in the manner of a broker or dealer but is not registered as a broker or dealer.''.

**SEC. 443. REPORTS BY REGISTERED INVESTMENT ADVISERS.**

Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4), as amended by section 431, is further amended by adding at the end the following:

''(h) REPORT ON FEES COLLECTED FROM INDIVIDUAL INVESTORS.—

''(1) IN GENERAL.—Each registered investment adviser shall annually file with the Commission a report that includes, with respect to the year preceding such report—

''(A) the total amount of fees the registered investment adviser collected from individual investors with assets in individual accounts;

''(B) the total amount of fees described in subparagraph (A) divided by assets under management ('AUM');

''(C) the average fee paid by an individual account (i.e., the average fee across all investor accounts); and

''(D) the table described in paragraph (2).

''(2) FEE DISAGGREGATION.—Each registered investment adviser shall, with respect to each total amount reported under paragraph (1)(A), include in each report under such paragraph a table that disaggregates the amount into the following categories:

''(A) The amount of management fees collected.

''(B) The amount of frequent trading fees collected.

''(C) The amount of account inactivity fees collected.

''(D) The amount of transfer agent fees collected.

''(E) The amount of exchange fees collected.

''(F) The amount of low account balance fees collected.

''(G) The amount of account opening fees collected.

''(H) The amount of retirement account rollover fees collected.

''(I) The amount of fees collected other than fees described in subparagraphs (A) through (H).

''(3) PUBLICATION OF DATA.—

''(A) ONLINE DATABASE.—The Commission shall publish the data received under paragraph (1) on an online database (which shall be similar to BrokerCheck) where individual investors can search by registered investment company name.

''(B) VISUAL METER COMPARING REGISTERED INVESTMENT COMPANY FEES.—The online database required under subparagraph (A) shall include, with respect to each registered investment company, a visual meter that—

''(i) indicates whether the registered investment company's fees are, when compared to all other registered investment companies that filed a report under paragraph (1) for the most recent reporting year—

''(I) in the highest quartile, which shall be indicated with a background of red and the word 'high';

''(II) in the 25 percent to 50 percent or 50 percent to 75 percent quartile, which shall be indicated with a background of white and the word 'average'; or

''(III) in lowest quartile, which shall be indicated with a background of green and the word 'low'; and

''(ii) includes—

''(I) a line running perpendicular to the meter that corresponds to the quartile under clause (i) applicable to the registered investment company's fees; and

''(II) the amount of such fees shown clearly next to such line.

''(C) LANDING PAGES OF REGISTERED INVESTMENT COMPANY.—Each registered investment company's landing page (which may contain the regulatory or disciplinary history of the registered investment company, and such other information as the Commission determines useful for investors and account holders) shall include the data required under paragraph (1).

''(4) REPORT TO INDIVIDUAL INVESTORS.—Each registered investment company shall provide an annual individualized fee report to the investors of the registered investment company. Each report shall allow each investor to compare the fees charged to the investor to those charged by other registered investment companies and include a 10-year fee projection, assuming no changes in the products, services, or fee tiers offered. The report shall include—

''(A) the information provided to the Commission under paragraph (1); and

''(B) the information published by the Commission under paragraph (3)(B) relating to such registered investment company.

''(5) FINANCIAL INTERMEDIARIES.—The Commission shall issue a rule to apply the requirements of this subsection to any financial intermediary that functions in the manner of an registered investment adviser but is not registered as a registered investment adviser.''.

**Subtitle E—Transparency and Prohibition of Certain Fees on Trading Venues**

**SEC. 451. TRANSPARENT FEE STRUCTURES FOR EXCHANGES AND ATSS.**

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 6 the following:

**''SEC. 6A. TRANSPARENT FEE STRUCTURES FOR EXCHANGES AND ATSS.**

''(a) IN GENERAL.—The Commission shall adopt rules to improve the transparency of fee structures imposed by exchanges and alternative trading systems on their participants.

''(b) REQUIREMENTS.—The rules issued under subsection (a) shall require that each exchange and each alternative trading system—

''(1) publicly disclose, in a complete and readily accessible format (including on the website of the exchange or the alternative trading system), a schedule of all fees, dues, charges, and rebates that the exchange or alternative trading system imposes on members, subscribers, or other users for trading, market data, access, connectivity, or any other services, and update such disclosure promptly upon any change;

''(2) provide advance notice to the users of the exchange or alternative trading system of any new fee or increase in an existing fee at least 30 days before the effective date of such fee or increase (unless a longer notice period is otherwise required by law or regulation);

''(3) if the exchange or alternative trading system offers volume-based rebates or other incentives, clearly disclose the terms of such programs and the effective fee after accounting for such rebates or incentives, in a manner that allows market participants to determine the true net cost or rebate for their trading activity; and

''(4) issue regular billing statements or reports to users of the exchange or alternative trading system that itemize each fee or charge incurred for the period by category (such as execution fees, market data fees, connectivity fees), to allow users to verify the fees charged.

''(c) ALTERNATIVE TRADING SYSTEM DEFINED.—In this section, the term 'alternative trading system' means any organization, association, or system that meets the definition of an alternative trading system under regulations prescribed by the Commission, including section 242.300(a) of title 17, Code of Federal Regulations.''.

**SEC. 452. PROHIBITION OF EXCESSIVE FEES BY EXCHANGES AND ATSS.**

The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), as amended by section 451, is further amended by inserting after section 6A the following:

**''SEC. 6B. PROHIBITION OF EXCESSIVE FEES BY EXCHANGES AND ATSS.**

''An exchange or alternative trading system (as defined in section 6A) may not, directly or indirectly, impose any of the following fees:

''(1) Any fee or charge that is not reasonable and proportional to the cost of the product or service for which the fee is charged.

''(2) Any fee pursuant to a fee structure that is designed in a way that unfairly disadvantages or advantages certain participants relative to others without a legitimate business justification.

''(3) Any fee pursuant to a fee model that obscures or conceals the true cost of trading, market data, or access to the market.

''(4) Any junk fee (as defined in section 402 of the No Junk Fee Act of 2025) or other fee that is excessive, unreasonable, or unjustly discriminatory, as the Commission determines appropriate or necessary to protect investors.''.

The Acting CHAIR. Pursuant to House Resolution 936, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I rise to offer an amendment that would make junk fees illegal and require investment firms to clearly disclose the other fees they charge.

For far too long, Wall Street has been charging junk fees that sap the investment returns of hardworking Americans and make it harder to save for retirement.

This amendment makes clear that investment firms, be they an investment company, an investment adviser, or a broker-dealer, cannot charge any fees that are either not clearly disclosed to investors in advance or exceed the value of the services provided. These could include dubious fees like account closure fees, excessive markups, and undisclosed compensation or sales arrangements, inactivity fees, and so-called regulatory compliance fees.

In addition to outright banning junk fees, this amendment requires investment firms to clearly disclose to their customers in advance any fees that they charge that customer.

Investors should not face any surprises when it comes to the cost of investing their savings. Making sure that investors clearly know the risk and costs of choosing an investment firm or product should receive unanimous support from all Members of this body.

Finally, this amendment would bring unprecedented transparency to how investment firms profit from the fees they charge investors. These firms would be required to annually report to the SEC the total profit earned from fees as a percentage of assets under management.

The SEC would publish this information on a public database similar to a broker check along with a visual that shows whether these fees are high, low, or average when compared with their peer firms.

By making this data public, American investors would be able to know how the fees charged by their investment firm compare to others and would also create market pressure on firms to make savings for the future more affordable for Americans.

I strongly, strongly encourage all Members to support this amendment because this amendment is a commonsense solution that protects investors and brings accountability to the industry.

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

Mrs. WAGNER. Mr. Chairman, I claim the time in opposition.

The Acting CHAIR. The gentlewoman from Missouri is recognized for 5 minutes.

Mrs. WAGNER. Mr. Chairman, I rise in strong opposition to this amendment, which represents a fundamental departure from the careful, deliberative process that has guided the INVEST Act.

Let me be clear about what we are being asked to consider. This is not a modest technical correction or a narrow clarification. These are sweeping, complex changes that redefine fee structures across the entire securities industry. They create new prohibitions, and they establish an unprecedented public ranking system for SEC registrants.

It has never been vetted by participants, investor groups, legal experts, or Congress. It has not even been considered or marked up through the Financial Services Committee through regular order, the very process that every other provision in the INVEST Act has undergone.

We are being asked to inject unexamined policy into a carefully crafted bill at the 11th hour. This is not how we should legislate, particularly on matters affecting trillions of dollars in American retirement savings and investment accounts.

Beyond the procedural concerns, the policy itself is deeply flawed. SEC-registered advisers and broker-dealers are already subject to comprehensive fee disclosure requirements under existing law. They must provide clear, written disclosures about all fees and compensation. They are subject to fiduciary duties or Regulation Best Interest standards that require fees to be reasonable and in clients' best interests.

This amendment creates vague, undefined standards about what constitutes

a fee that is ''not proportional to services provided.'' Who decides proportionality? By what standard? This invites endless litigation and regulatory uncertainty that will ultimately harm investors by increasing costs and limiting service offerings.

I urge my colleagues to reject this substantively flawed amendment, and I reserve the balance of my time.

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

I urge all Members to vote ''yes'' in support of my amendment to prohibit junk fees and make all other fees more transparent to investors.

My amendment will make sure that hardworking Americans are safe from undisclosed or unreasonable fees. It will require advanced notice on fees before they are charged to an investor and will make public the amount that financial firms earn from fees.

□ 2120

I am sure you can agree that every American should have a right to know what they are paying for, and that is why I am asking for a vote on this amendment.

It has been acknowledged by the supporters that they are so pleased for this debate that we are having this evening. They have indicated it is long past due that consumers have this kind of advocacy and that consumers have this kind of support from the Members of Congress who understand the rip-offs and the fraud and the disrespect that they have received for far too long.

This amendment is supported by all of those organized unions and advocacy groups that I have spoken about earlier this evening. They all support this amendment as they support the bill that we have been working so hard for.

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

Mrs. WAGNER. Mr. Chair, as we come to a close on what I believe is the final amendment of H.R. 3383, the INVEST Act, I thank my colleagues who have been so bipartisan in this package of 22 amazing capital formation bills that are going to lift up retail and mainstream investors, that are going to grow small business and entrepreneurs, and give more companies the possibility of having the capital for them to go public.

Mr. Chair, I thank my wonderful colead, Mr. GREGORY MEEKS from New York and JOSH GOTTHEIMER, and also Chairman HILL for their tremendous support in this effort and my entire Capital Markets Subcommittee, the staff, and the team that has brought what is years and years of hard work together that is going to grow this economy, grow jobs, and grow the future of the United States of America and our economy.

Mr. Chair, I thank the ranking member for the good, healthy debate this evening and the collaboration that we have, but I must say still, Mr. Chair, I urge my colleagues to reject this specific amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Ms. WATERS. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from California will be postponed.

Mrs. WAGNER. Mr. Chair, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MACKENZIE) having assumed the chair, Mr. WIED, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3383) to amend the Investment Company Act of 1940 with respect to the authority of closed-end companies to invest in private funds, had come to no resolution thereon.

## ELECTING A MEMBER TO CERTAIN STANDING COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mrs. KIGGANS of Virginia. Madam Speaker, by direction of the Republican Conference, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 940

*Resolved,* That the following named Member, be and is hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON HOMELAND SECURITY: Mr. Van Epps.

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY: Mr. Van Epps.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## HOUR OF MEETING ON TOMORROW

Mrs. KIGGANS of Virginia. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

## NOTICE OF INTENTION TO OFFER RESOLUTION RAISING A QUESTION OF THE PRIVILEGES OF THE HOUSE

Mr. GREEN of Texas. Mr. Speaker, pursuant to clause 2(a)(1) of rule IX, I rise to give notice of my intention to raise a question of the privileges of the House.

The form of the resolution is as follows:

H. Res. 939. Impeaching Donald John Trump, President of the United States, for high crimes and misdemeanors.

*Resolved,* That Donald John Trump, President of the United States, is an abuser of presidential power who, if left in office, will continue to promote the incitement of violence, engender invidious hate, undermine our democracy, and dissolve our Republic, that he is impeached for high crimes and misdemeanors, and that the following articles of impeachment be exhibited to the United States Senate:

Articles of impeachment exhibited by the House of Representatives of the United States of America in the name of itself and of the people of the United States of America, against Donald J. Trump, President of the United States of America, in maintenance and support of its impeachment against him for high crimes and misdemeanors.

ARTICLE I. Abuse of Presidential Power by Calling for the Execution of Members of Congress.

In his conduct of the office of President of the United States, Donald John Trump, in violation of his constitutional oath to faithfully execute the office of the President of the United States and, to the best of his ability, preserve, protect, and defend the Constitution of the United States, and in violation of his constitutional duty to take care that the laws be faithfully executed, has unfaithfully, dangerously, and unconstitutionally abused his official position by threatening Democratic lawmakers in Congress with execution.

President Trump called for the execution of six Democratic lawmakers, all of whom are currently serving in the U.S. Senate or U.S. House of Representatives and who previously served in the U.S. Military or in U.S. Intelligence communities, in response to a short video that they posted on November 18, 2025. In their video, the Democratic lawmakers appropriately urged current members of the military and intelligence communities to adhere to the Constitution and the laws of our country. They specifically said: ''Like us, you all swore an oath to protect and defend this Constitution. Right now, the threats to our Constitution aren't just coming from abroad, but from right here at home. Our laws are clear. You can refuse illegal orders. You can refuse illegal orders. You must refuse illegal orders. No one has to carry out orders that violate the law or our Constitution.''

On November 20, 2025, in response, President Trump called for their execution. In one social media post, he wrote: ''It's called SEDITIOUS BEHAVIOR AT THE HIGHEST LEVEL. Each one of these traitors to our Country should be ARRESTED AND PUT ON TRIAL. Their words cannot be allowed to stand—We won't have a Country anymore!!! An example MUST BE SET. President DJT.'' In another, he wrote of the lawmakers: ''SEDITIOUS BEHAVIOR, punishable by DEATH!''