

**The Honorable Mike Quigley
Committee on Appropriations
Subcommittee on Financial Services and General Government**

Securities and Exchange Commission Oversight Hearing

Opening Statement

2:00 PM Eastern / 1:00 PM Central | May 26, 2021

[Host will complete pre-hearing script, and yield to Chair to countdown from 10 to begin the livestream.]

10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

This hearing will come to order.

As this hearing is fully virtual, we must address a few housekeeping matters.

For today's meeting the Chair or staff designated by the Chair may mute participants' microphones when they are not under recognition for the purposes of eliminating inadvertent background noise.

Members are responsible for muting and unmuting themselves. If I notice that you have not unmuted yourself, I will ask you if you would like the staff to unmute you. If you indicate approval by nodding, staff will unmute your microphone.

I remind all Members and Witnesses that the five-minute clock still applies. If there is a technology issue, we will move to the next Member until the issue is resolved and you will retain the balance of your time.

You will notice a clock on your screen that will show how much time is remaining. At 1-minute remaining, the clock will turn to yellow. At 30 seconds remaining, I will gently tap the gavel to remind Members that their time is almost expired. When your time has expired, the clock will turn red and I will begin to recognize the next Member.

In terms of the speaking order, we will follow the order set forth in the House Rules, beginning with the Chair and Ranking Member, then Members present at the time the hearing is called to order will be recognized in order of seniority, and finally Members not present at the time the hearing is called to order.

Finally, House Rules require me to remind you that we have set up an e-mail address to which Members can send anything they wish to submit in writing at any of our hearings or markups. That e-mail address has been provided in advance to your staff.

This morning we welcome the Chair of the Securities and Exchange Commission, Gary Gensler.

Mr. Gensler, thank you for being here today.

The SEC protects investors, helps secure our markets against fraud and manipulation, and promotes capital formation. And like most Federal agencies, its work has changed in profound ways because of the pandemic.

I'd like to briefly mention four areas where we hope to gain insight into the SEC's recent activities and future resource needs. This information will be vital as we get started in earnest on crafting this year's appropriations bills.

First is the issue of emerging financial technologies. The market for non-fungible tokens, cryptocurrencies, and other digital assets has exploded.

While these have created significant wealth and value, these markets also feel like a virtual wild west. They have led to extreme market volatility, theft, “pump and dump” schemes, and other issues that hurt retail investors, and I look forward to learning more about the work the SEC is doing, in cooperation with other Federal agencies, to help bring more order to these markets.

Second, we are not just seeing innovation in financial products. Technology is also driving new market trends that warrant scrutiny. For example, Chair Gensler, I know you recently testified on the issue of Gamestop, and that the SEC is investigating issues related to the trades of Gamestop on the financial platform Robinhood. I hope to hear more about how the SEC can preserve the rights of retail investors as it grapples with the market impacts of new technologies like mobile apps, decentralized finance, and artificial intelligence.

Third, as a strong proponent of transparency in and out of government, I am heartened to see the SEC finally make progress on climate issues. There is widespread interest from both companies and consumers – and the new Administration – in increased disclosure of environmental and climate risks. I welcome both the increased regulatory and enforcement efforts in this space. I am also a firm advocate for increased political disclosures and will continue my work to provide the SEC the resources and authorities it needs to address this pressing issue.

Finally, the pandemic has accelerated many of the trends of recent years, from digital adoption to geographic migrations. Unfortunately, one of those things is income and wealth inequality.

It is a testament to the resiliency of the American economy and people that our markets were able to quickly stabilize, and then grow, after the start of the pandemic. But that also made the richest Americans much richer, even as many low-income areas and communities of color face setbacks that will push off financial prosperity for years to come.

It is not enough just to make sure markets work. They need to work for *everyone*. I look forward to working with the SEC and the Administration to help address this growing disconnect between main street and Wall Street.

Chair Gensler, I realize that the SEC shares jurisdiction of these issues with other agencies that this subcommittee oversees, including the Department of Treasury and the Federal Trade Commission. We also welcome your comments on how we might be able to facilitate more cooperation with these agencies and other parts of the Federal government to ensure you can work more efficiently.

Before I turn to Chair Gensler for his statement, I would like to recognize our Ranking Member, Mr. Womack, for his opening remarks.

[Womack Statement]

Thank you, Mr. Womack.

Thank you. Chair Gensler, thank you for being here today.

Without objection, your full written testimony will be entered into the record. With that in mind, we would ask for you to please summarize your opening statement in 5 minutes.

[Gensler Statement]

Thank you. We'll now begin with questions.