

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2792
OFFERED BY MRS. WAGNER OF MISSOURI**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. STUDIES, REPORTS, AND RULES REGARDING**
2 **SMALL ENTITIES.**

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

4 (1) the term “Commission” means the Securi-
5 ties and Exchange Commission; and

6 (2) the term “small entity”—

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

10 (B) includes any definition established by
11 the Commission of the term “small business”,
12 “small organization”, or “small governmental
13 jurisdiction” under paragraph (3), (4), or (5),
14 respectively, of section 601 of title 5, United
15 States Code, with respect to the activities of the
16 Commission.

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

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

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

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

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

22 (2) submit to Congress a report that includes—

23 (A) the results of the applicable study con-
24 ducted under paragraph (1); and

1 (B) specific and detailed recommendations
2 on the ways in which the Commission could
3 amend the definition of the term “small entity”
4 to—

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

7 (ii) expand the number of entities cov-
8 ered by such definition.

9 (c) RULEMAKING.—After the completion of each
10 study required under subsection (b), the Commission shall,
11 subject to public notice and comment, revise the rules of
12 the Commission consistent with the results of such study.

