

H.R. 935, the Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2021.

Madam Speaker, this bill isn't new, we have been here before. In fact, this will be the third instance that my legislation has actually come to the floor. Each time Members of this body have unanimously supported the legislation before us today. I certainly hope that the third time is the charm.

Let's be clear. For small, privately-owned businesses, merger and acquisition advisers and business brokers perform crucial roles in preparing these privately held businesses for a sale or a merger by finding and screening potential business buyers or partners. These brokers play a vital role in navigating M&A transactions to successful outcomes.

Unfortunately, Federal securities regulations technically require an M&A broker to be registered and regulated by the Securities and Exchange Commission, as well as FINRA, just like a Wall Street investment banker selling or buying publicly traded companies. This is a problem long identified by both practitioners and the regulators themselves.

Whether it is a small, locally owned store in Holland, Michigan, my hometown, or a Fortune 500 company, today, the same rules apply, regardless of the size of the business, the size of the transaction, or whether they are publicly or privately held.

Sadly, these last 2 years have only increased the need for my bill. Despite \$5 trillion in COVID relief packages, which have often picked winners and losers, rising costs due to inflation are making it difficult for many small businesses to keep the lights on today.

Recent data from the Federal Reserve itself showed that 85 percent of small businesses experienced financial hardships and difficulties in 2021. According to the Small Business Administration, 68 percent of small business owners say they are having a hard time keeping and hiring staff.

Nevertheless, small businesses continue to be the backbone of all of our local economies. Just look at my home State of Michigan, which is the home of very large companies like the automakers, office furniture makers, chemical companies, and medical device companies. But it also is a place where 98 percent of businesses are small businesses—98 percent of them—and they employ literally half of the Michigan workforce. Just as important, for every \$100 spent at a local business, roughly \$68 stays in the local economy, according to studies.

Small businesses need to grow and have to do a couple of different things to be successful. For some that means they need to consolidate; some may need to restructure and try to recover from the challenges that have been exacerbated by the pandemic or the economy or whatever it might be; and sometimes it may be a family succession plan that is happening within

those small businesses. These innovators, entrepreneurs, and risk-takers are critical to our country's economic growth and prosperity. We need to level the playing field that gives an unfair advantage to those Wall Street big guys.

So, how did we get here?

As was discussed, in 2006 merger and acquisition brokers attempted to address their concerns with the Securities and Exchange Commission by developing a rule that would codify and simplify the "broker-dealer" regulation.

Unfortunately, due to the fallout from the great financial crisis, the SEC could not make the time for this rule-making and make it a priority, which sent groups then to Congress for a legislative fix. Along the way, this bill has enjoyed bipartisan and bicameral support. It passed the Committee on Financial Services, not once, not twice, but now four times, including this last summer.

In 2014, the chief counsel of the Division of Trading of the Securities and Exchange Commission released the M&A broker no-action letter, which concluded that the SEC staff would not recommend enforcement against an unregistered person who was engaged in facilitating a securities transaction solely related to the purchase or sale of a privately held company—regardless of the size of the company—provided certain enumerated conditions were met.

H.R. 935 is consistent with the no-action letter but will clarify and simplify the merger process for small businesses and M&A brokers. The bill codifies the extensive investor protections, while not affecting the SEC's jurisdiction over M&A brokers.

However, a no-action letter is not legally binding. It cannot change securities laws. That is up to us, Congress. We must pass my legislation to provide legal clarity once and for all.

The SPEAKER pro tempore (Ms. NEWMAN). The time of the gentleman has expired.

Mr. HILL. Madam Speaker, I yield an additional 30 seconds to the gentleman.

Mr. HUIZENGA. Madam Speaker, we have been on this journey for nearly 10 years, going back to the 113th Congress. While many of the Members who served with me back then no longer remain, the challenges small businesses face have not dimmed.

Madam Speaker, I recognize my colleague, Representative BRIAN HIGGINS from New York, who has been the original cosponsor from day one, and he has been on this journey every step of the way, as well as Congresswoman MALONEY and Chairwoman WATERS and Ranking Member MCHENRY.

Madam Speaker, I urge my colleagues to pass this commonsense bipartisan legislation.

Mr. GARCÍA of Illinois. Madam Speaker, I reserve the balance of my time.

Mr. HILL. Madam Speaker, let me conclude the discussion on H.R. 935 by

thanking my friend from Michigan for his persistent leadership over many Congresses on this topic. I urge my colleagues to support him in this effort, putting it over the goal line, and getting a great result out of the Senate in the days ahead.

Madam Speaker, I urge a "yes" vote, and I yield back the balance of my time.

Mr. GARCÍA of Illinois. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, I certainly hope the third time is the charm, as the sponsor of the bill has reiterated. H.R. 935 will provide legal certainty to certain financial intermediaries who serve and support small business owners and buyers.

The bill would codify a longstanding no-action letter by the Securities and Exchange Commission. I thank its sponsors, Mr. HUIZENGA and Mrs. MALONEY.

Madam Speaker, I urge the speedy passage by the House, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. GARCÍA) that the House suspend the rules and pass the bill, H.R. 935, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

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

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

RUSSIA AND BELARUS FINANCIAL SANCTIONS ACT OF 2022

Mr. GARCÍA of Illinois. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 7066) to require United States financial institutions to ensure entities and persons owned or controlled by the institution comply with financial sanctions on the Russian Federation and the Republic of Belarus to the same extent as the institution itself, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7066

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Russia and Belarus Financial Sanctions Act of 2022".

SEC. 2. REQUIREMENTS.

(a) IN GENERAL.—A United States financial institution shall take all actions necessary and available to cause any entity or person owned or controlled by the institution to comply with any provision of law described in subsection (b) to the same extent as required of a United States financial institution.

(b) PROVISION OF LAW DESCRIBED.—A provision of law described in this subsection is any prohibition or limitation described in a sanctions-related statute, regulation or order applicable to a United States financial institution concerning the Russian Federation or the Republic of Belarus, involving—

- (1) the conduct of transactions;
- (2) the acceptance of deposits;
- (3) the making, granting, transferring, holding, or brokering of loans or credits;
- (4) the purchasing or selling of foreign exchange, securities, commodity futures, or options;
- (5) the procuring of purchasers and sellers described under paragraph (4) as principal or agent; or
- (6) any other good or service provided by a United States financial institution.

(c) PENALTY.—A United States financial institution that violates subsection (a) shall be subject to the penalties described in the applicable statute, regulation or order applicable to a United States financial institution.

(d) UNITED STATES FINANCIAL INSTITUTION DEFINED.—In this section, the term “United States financial institution” means any U.S. entity (including its foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, futures or options, or procuring purchasers and sellers thereof, as principal or agent. It includes depository institutions, banks, savings banks, money services businesses, operators of credit card systems, trust companies, insurance companies, securities brokers and dealers, futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, dealers in precious metals, stones, or jewels, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices, and agencies of foreign financial institutions that are located in the United States, but not such institutions’ foreign branches, offices, or agencies.

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. GARCÍA) and the gentleman from Arkansas (Mr. HILL) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois.

GENERAL LEAVE

Mr. GARCÍA of Illinois. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and include extraneous material thereon.

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

There was no objection.

Mr. GARCÍA of Illinois. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 7066, the Russia and Belarus Financial Sanctions Act, sponsored by Congressman BRAD SHERMAN.

Within days of Russia’s unjustified and inhumane invasion of Ukraine, President Biden demonstrated strong leadership when he brought our allies together to impose the toughest set of sanctions ever against a major world economy.

The effectiveness of these sanctions will depend in large part on strong enforcement of these restrictions and prohibitions by the U.S. and by our allies.

□ 1615

U.S. financial institutions, including banks, credit card companies, broker-dealers, money service businesses, cryptocurrency exchanges, and mobile wallets, play a pivotal role in the implementation of U.S. sanctions. There is some ambiguity, however, as to whether compliance by U.S. financial institutions extends to foreign entities that they own or control.

Congressman SHERMAN’s bill will clarify that all foreign operations of U.S. financial institutions, including any subsidiaries domiciled outside the United States, must fully comply with all existing sanctions imposed in response to Russia’s brutal war against Ukraine.

I thank Congressman SHERMAN for his good work on this bipartisan bill, as well as Congressman HILL for partnering with him. This is a commonsense clarification to ensure that we are doing all that we can to degrade the Russian economy until it is no longer able to fund its incursion into Ukraine and to show Russia that there are consequences for its actions. For these reasons, I urge my colleagues to support this bill.

Madam Speaker, I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, May 6, 2022.

Hon. MAXINE WATERS,
Chairwoman, Committee on Financial Services,
Washington, DC.

DEAR CHAIRWOMAN WATERS: This letter confirms our mutual understanding regarding H.R. 7066, the Russia and Belarus Financial Sanctions Act. Thank you for collaborating with the Committee on Agriculture on the matters within our jurisdiction.

The Committee on Agriculture will forego any further consideration of this bill so that it may proceed expeditiously to the House floor for consideration. However, by foregoing consideration at this time, we do not waive any jurisdiction over any subject matter contained in this or similar legislation. We request that our Committee be consulted and involved as this bill moves forward so that we may address any remaining issues in our jurisdiction. The Committee on Agriculture also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation and ask that you support any such request.

We would appreciate a response to this letter confirming this understanding with respect to H.R. 7066, and request that a copy of

our letters on this matter be published in the Congressional Record during Floor consideration.

Sincerely,

DAVID SCOTT,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, May 9, 2022.

Hon. DAVID SCOTT,
Chairman, Committee on Agriculture,
Washington, DC.

DEAR MISTER CHAIRMAN: I am writing to acknowledge your letter dated May 9, 2022, regarding the waiver by the Committee on Agriculture of any jurisdictional claims over the matters contained in H.R. 7066, the “Russian and Belarus Financial Sanctions Act.” The Committee on Financial Services confirms our mutual understanding that your Committee does not waive any jurisdiction over the subject matter contained in this or similar legislation, and your Committee will be appropriately consulted and involved as this bill or similar legislation moves forward so that we may address any remaining issues within your jurisdiction.

The Committee on Financial Services further recognizes your interest in appointment of outside conferees from the Committee on Agriculture should this bill or similar language be considered in a conference with the Senate.

Pursuant to your request, I will ensure that this exchange of letters is included in the Congressional Record during Floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work with you as this measure moves through the legislative process.

Sincerely,

MAXINE WATERS,
Chairwoman.

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

Madam Speaker, I thank my friend from Illinois for managing the bill. It is also good to be on this House floor again talking on an issue that we share in common, and that is the importance of sanctions being successful as a part of our strategy to get Mr. Putin out of Ukraine. So it has been very good to partner with my friend from California (Mr. SHERMAN) on H.R. 7066, the Russia and Belarus Financial Sanctions Act.

Madam Speaker, U.S. financial institutions are already prohibited from engaging in transactions with sanctioned Russian entities, but H.R. 7066 extends that prohibition to entities owned or controlled by U.S. financial institutions as well. This is a commonsense provision, and it has helped other sanctions programs be more successful, and I cite particularly the efforts to isolate Iran and North Korea.

Under the President’s ongoing Russia measures, anyone providing support to a sanctioned person runs the risk of being sanctioned themselves. We know that U.S. financial institutions are fully aware of us. Congress expects their full compliance and to be watchful on their affiliates that may also do business with Russia.

As the U.S. continues to pressure the Putin regime, we must seek and prevent opportunities for Russia to find loopholes for non-U.S. financial institutions.

I am glad to see that our current sanctions on Russia are making it more difficult for Moscow to find alternatives to Western banks. However, opportunities remain for us to tighten these multilateral sanctions and increase pressure on Russia, particularly in Russia's energy exports. Both the United States and Europe continue to provide carve-outs for energy transactions, and the next step on the sanctions ladder is to close these loopholes so that Russia cannot receive hard currency by selling oil and gas.

I hope that Republicans and Democrats can work together to pursue this kind of policy and continue to collaborate on how to tighten the financial noose around Putin. Just as we worked on this bill together, I hope Members on both sides of the aisle will come together and support the work of my friend from California.

Madam Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. GARCÍA of Illinois. Madam Speaker, I yield 3 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Madam Speaker, I rise in support of H.R. 7066, the Russia and Belarus Financial Sanctions Act.

I thank Chairwoman WATERS, Ranking Member MCHENRY, and my co-lead on this bill, the gentleman from Arkansas (Mr. HILL), for their work in bringing forward this legislation.

This bill passed unanimously in the Financial Services Committee in March. The Russia and Belarus Financial Sanctions Act represents a significant step forward in imposing sanctions on Russia and on Belarus for their historic aggression.

I have spent 26 years on the Foreign Affairs Committee and well over a decade on the Congressional Ukrainian Caucus. I understand the importance of financial sanctions in changing Russia's behavior in part through my discussions with President Zelenskyy and other Ukrainian leaders who have pointed out that that is their Achilles' heel.

Chairwoman WATERS and I have for several years been pushing to prohibit Americans from purchasing all new Russian sovereign debt and have passed that through the House several times. But that was before the invasion.

As has been explained by my colleagues who have spoken, we now have effective sanctions prohibiting U.S. financial institutions from engaging in a wide range of transactions with Russian and Belarusian individuals and entities—particularly the Russian Central Bank—many of the state-owned enterprises and financial institutions, and oligarchs.

But what people have not focused on is that these sanctions apply only to U.S. persons and do not apply to the over 1,000 foreign subsidiaries of American financial institutions. As we meet here today, foreign subsidiaries owned by U.S. financial institutions are engaging in the very financial trans-

actions that we have prohibited if engaged by a U.S. institution. It is time to deal with this gaping loophole. That is why this bill requires all U.S. financial institutions to prevent their foreign subsidiaries from engaging in transactions prohibited to U.S.-based financial institutions.

Madam Speaker, I think it is important that this bill has acquired bipartisan support and shows that Congress comes together to deal with this outrageous invasion, and I urge my colleagues to support this timely legislation.

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

I thank my good friend, Mr. SHERMAN, on this bill, and let me remind the leaders of the Kremlin that Americans on both sides of this aisle are unified in our efforts to cut off the economic flow to the Kremlin, and we share that objective with our friends in Europe. When I was in Europe a few weeks ago, just before Easter, leaders in both Poland and Romania reiterated that they are prepared to go further in economic sanctions against the Putin regime and Moscow.

So it needs to be clear that Americans, while we are fully on board with our transatlantic friends in constraining Mr. Putin, the announced sanctions by President Biden and the sanctions that we are talking about today are just a beginning point as this Congress works to provide lethal assistance with 31 countries to help the Ukrainians defend themselves. This Congress helps provide humanitarian assistance, along with countries from all around the world and the United Nations, to help the Ukrainians have the medicine, food, and material that they need to survive in this really outrageous and unprecedented attack by the Russians on the sovereign nation of Ukraine.

So it is important to note here that we are here not for the last time to talk about how to fine-tune, how to tighten, and how to direct our economic sanctions more successfully.

Madam Speaker, I thank my friend from California for our collaboration on this. I encourage all Members on both sides of the aisle to support it, and I yield back the balance of my time.

Mr. GARCÍA of Illinois. Madam Speaker, I yield myself the balance of my time. The Russia and Belarus Financial Sanctions Act was passed by our committee with bipartisan support. It provides an important clarification to ensure financial institutions follow the law and implement sanctions on Russia and Belarus.

Madam Speaker, I urge Members to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. GARCÍA) that the House suspend the rules and pass the bill, H.R. 7066, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

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

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

UKRAINE COMPREHENSIVE DEBT PAYMENT RELIEF ACT OF 2022

Mr. GARCÍA of Illinois. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 7081) to seek immediate bilateral, multilateral, and commercial debt service payment relief for Ukraine, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7081

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ukraine Comprehensive Debt Payment Relief Act of 2022".

SEC. 2. SUSPENSION OF MULTILATERAL DEBT PAYMENTS OF UKRAINE.

(a) UNITED STATES POSITION IN THE INTERNATIONAL FINANCIAL INSTITUTIONS.—The Secretary of the Treasury shall instruct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) to use the voice, vote, and influence of the United States to advocate that the respective institution immediately suspend all debt service payments owed to the institution by Ukraine.

(b) OFFICIAL BILATERAL AND COMMERCIAL DEBT SERVICE PAYMENT RELIEF.—The Secretary of the Treasury, working in coordination with the Secretary of State, shall commence immediate efforts with other governments and commercial creditor groups, through the Paris Club of Official Creditors and other bilateral and multilateral frameworks, both formal and informal, to pursue comprehensive debt payment relief for Ukraine.

(c) MULTILATERAL FINANCIAL SUPPORT FOR UKRAINE.—The Secretary of the Treasury shall direct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) to use the voice and vote of the United States to support, to the maximum extent practicable, the provision of concessional financial assistance for Ukraine.

(d) MULTILATERAL FINANCIAL SUPPORT FOR REFUGEES.—The Secretary of the Treasury shall direct the United States Executive Director at each international financial institution (as defined in section 1701(c)(2) of the International Financial Institutions Act) to use the voice and vote of the United States to seek to provide economic support for refugees from Ukraine, including refugees of African descent, and for countries receiving refugees from Ukraine.

SEC. 3. REPORT TO THE CONGRESS.

Not later than December 31 of each year, the President shall—

(1) submit to the Committees on Financial Services, on Appropriations, and on Foreign