work this Congress when we advanced the Financial Exploitation Prevention Act that would give asset managers more tools to prevent suspected financial exploitation of seniors and vulnerable adults.

Since I took office, I have been committed to helping seniors save their hard-earned money for retirement, help cut their taxes, afford prescription drugs, and protect Social Security and Medicare so that, at the end of the day, they can afford to stay where I live in northern New Jersey and enjoy their lives with their friends, children, and grandchildren.

Unfortunately, far too many of our seniors have had their hard-earned retirement savings stolen right out from under them when a scammer calls or shows up at their door. Millions of seniors across the country, including my own late mother, have been the victims of financial scams, and far too many have been cheated out of their retirement savings.

It is appalling. It is offensive. It is simply unacceptable. These senior scams cost older Americans more than $36 billion a year, often hitting their retirement nest eggs, not to mention the pain and anxiety you can't put a dollar figure on. Plus, senior scams have more than doubled since 2020.

We are here today to do something about it by advancing the Senior Security Act to help protect American seniors from these shameless criminals.

This bipartisan bill would create a senior investor task force at the Securities and Exchange Commission that will exclusively focus on how seniors are being targeted by fraudsters who seek to take financial advantage of them.

Every 2 years, the task force will be required to submit a report to Congress outlining trends and innovations, like robocalls and voice spoofing, that are impacting senior investors, helping us stay ahead of changes in financial scams as they arise.

Everyone should know they are incredibly sophisticated now. Literally through AI and other spoofing, it sounds like someone's grandchild calling when they scam them.

The task force will give law enforcement stronger tools and information. The task force will coordinate with other Federal regulators, State regulators, and law enforcement to ensure we are doing as much as we can at every level of government to stop hucksters from scamming our seniors. The task force will be a cop on the beat to make sure we keep up with the changes in financial scams and, again, stay ahead of new issues.

Our seniors have given us so much. We should always have their backs, look out for them, and help protect them from predators and innovative scammers who want to take advantage of them.

Mr. Speaker, I urge my colleagues to support this commonsense, bipartisan legislation, the Senior Security Act. I thank my colleagues and Congresswoman WAGNER, again, for her friendship and her leadership.

Mrs. WAGNER. Mr. Speaker, I strongly urge all of my colleagues to support H.R. 2593, and I reserve the balance of my time.

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

Mr. Speaker, this bill passed in committee 49–0. Our seniors are particularly vulnerable to financial scams. As Members of Congress, we must work to find effective ways to protect seniors from scamsters and fraudsters.

Mr. GOTTHEIMER's bill, a bill I commend him for drafting and one that, once again, got 49 votes to 0 in our committee—I commend him for crafting this legislation.

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

Mrs. WAGNER. Mr. Speaker, once again, I urge all my colleagues to support H.R. 2593, a wonderful piece of bipartisan legislation that is going to help our seniors have the kind of financial security that they need going forward.

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

Ms. JACKSON LEE. Mr. Speaker, I rise today in support of H.R. 2593, the Senior Security Act of 2023.

This bill establishes the Senior Investor Taskforce within the Securities and Exchange Commission.

The taskforce must report on topics relating to investors over the age of 65, including industry trends and serious issues impacting such investors, and make recommendations for legislative or regulatory actions to address problems encountered by senior investors.

The Government Accountability Office must report on the financial exploitation of senior citizens.

The proposed taskforce would do the following:

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.

The Government Accountability Office Study will observe the economic costs, frequency, and policy responses of the financial exploitation of senior citizens.

The Taskforce and the study that it will conduct is important because it will help prevent the financial exploitation of senior citizens.

The Taskforce and its study could also inspire legislation to prevent the financial exploitation of senior citizens.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 2593, as amended.

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

A motion to reconsider was laid on the table.

FINANCIAL STATEMENT REPORTING REQUIREMENTS FOR EMERGING GROWTH COMPANIES

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2608) to amend the Federal securities laws to specify the periods for which financial statements are required to be provided by an emerging growth company, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2608

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

SECTION 1. FINANCIAL STATEMENT REPORTING REQUIREMENTS FOR EMERGING GROWTH COMPANIES.

(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 subsection (b) of this section;''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

□ 1645

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 2608, a bill to specify the periods for which financial statements are required by an emerging growth company.

I thank my colleague, our esteemed chairman of the Financial Services Committee, Mr. MCHENRY, for his leadership on this important piece of bipartisan legislation which will ensure the continued success of the IPO on-ramp enacted in the bipartisan JOBS Act of 2012.

To address the steady decline of small company IPOs, title I of the JOBS Act of 2012 established a new class of public companies, or issuers, known as emerging growth companies.

These companies are given an on-ramp of up to 5 years to comply with certain regulatory requirements prior to, throughout, and immediately after the company's IPO.

Under the JOBS Act, one particularly helpful accommodation provided to EGCs is the requirement to provide 2 years of audited financial statements instead of 3 years in its IPO registration statement.

Under certain circumstances, however, an EGC, or a company that went public as an EGC, must provide financial statements for earlier periods. This has occurred occasionally, for example, in the case of acquired company financial statements and for follow-on offerings involving an emerging growth company that lost its EGC status during IPO registration.

H.R. 2608 resolves this misinterpretation by establishing that an emerging growth company, as well as any issuer that went public issuing EGC disclosure obligations, only needs to provide 2 years of audited financial statements.

Mr. Speaker, by ensuring that EGCs can consistently rely on the JOBS Act's scaled disclosure obligations by eliminating this irregularity, H.R. 2608 will enhance the utility and the benefits of EGC accommodations.

For this reason, I urge my colleagues to support H.R. 2608, and I reserve the balance of my time.

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

Mr. Speaker, I rise in support of H.R. 2608, sponsored by the gentleman from North Carolina.

I want to put this bill in context. The first two bills we considered in this session dealt with private offerings, where there is very limited investor protection and where there are requirements as to who is allowed to invest.

We are now focusing on public companies where there is a lot of investor protection and where anyone can invest and anyone who buys can then freely sell it to anyone else.

Just as by way of illustration, we are talking about, in this bill, whether there will be 2 or 3 years of audited financial statements for certain public companies. That differs from the private offerings that we considered in the first two bills. Private offerings are not required to have any audited financial statements.

A special accommodation has been made to emerging growth companies, known as EGCs, who are obligated to provide 2 years of audited financial statements when they first provide an initial public offering.

Other companies, on the other hand, are required to provide 3 years of audited financial statements when they go public. In some situations, however, an EGC must provide 3 years of audited financials, including cases where they acquire another company.

This bill would recognize that whatever standards we have when the company first goes public, those standards being for 2 years of audited financials, I think are logically applied in certain other circumstances. One of those is where the company goes to the public a second time for a follow-on offering, and the other is when the company uses its stock to acquire a company.

We have a rule that, for the most important gatekeeping requirement, says 2 years of audited financials. This bill would provide that same standard for emerging growth companies in these two other types of situations. This will harmonize the EGC framework, making sure that these smaller reporting companies have a scaled-down obligation but still do provide 2 years of audited financials.

Mr. Speaker, I urge my colleagues to vote ''yes'' on this important bill, and I reserve the balance of my time.

Mrs. WAGNER. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. MCHENRY), the chairman of the full Financial Services Committee.

Mr. MCHENRY. Mr. Speaker, I thank the chair of the Subcommittee on Capital Markets, Mrs. WAGNER, for leading our committee Republicans' capital formation agenda on the Financial Services Committee. She has done a fantastic job.

I thank the Members of the minority party for joining with us in passing some of these important bills.

By the end of today, we will haved passed 11 of those bills through the House of Representatives in the last 2 weeks. I thank the Members for their work there.

Mr. Speaker, I rise in support of H.R. 2608. This bill clarifies the periods for which financial statements are required to be provided by an emerging growth company.

Now, an emerging growth company is an important provision of the JOBS Act of 2012. These are smaller companies that are growing rapidly, and the idea here is we want them to be able to access the public markets more quickly.

Now, let me stop here. It is a real pleasure to spend time on the House floor getting back to the policy that I am most steeped in and most interested in and, quite frankly, thrilled that I am not talking about the debt ceiling. Thank you for your indulgence there.

This important provision of the JOBS Act, called the emerging growth company piece of the JOBS Act, has this designation of an IPO on-ramp. The idea here is these are smaller revenue companies, and in their growth, we want them to be able to get to the public markets as quickly as they can.

Emerging growth companies are given a 5-year ramping period in the public markets to comply with a lot of regulatory requirements that public companies are obligated to comply with.

The goal here was to have an accommodation to have more companies go public here in the United States, and it has worked. This was title I of the JOBS Act. The success of this provision was as a direct result of it being self-executing. We wrote the law, and instantly, that day, people started using the statute.

Within the first 2 years of enactment of the JOBS Act, emerging growth companies resulted in 85 percent of all U.S. IPOs. Additionally, this specific accommodation for 2 years of audited financial statements was utilized by 65 percent of emerging growth companies within the first 2 years of the JOBS Act.

Despite the success of the JOBS Act IPO on-ramp, there are clarifications Congress should make to maximize the utility of these provisions. For example, there are instances where an emerging growth company, or a company that qualifies as such during its initial public offering, must provide financial statements for periods earlier than 2 years.

The first instance is when an emerging growth company acquires a significant business. The emerging growth company must present 3 years of financial statements, even though the post-merger company also qualifies as an emerging growth company. This is kind of a wonky failure of the statute.

The second instance is when a company qualifies as an emerging growth company during its IPO but later tries to conduct a follow-on offering to raise capital after it loses its emerging growth company status. In such instances, the company would also be required to provide 3 years of financial statements.

This bill updates emerging growth company financial reporting accommodations to clarify that an emerging growth company, as well as any company that qualifies as such, when it is conducting its initial public offering, does not need to provide financial statements for a period earlier than 2 years, which is required during the emerging growth company's initial public offering. That is a lot of words.

This update will increase efficiency by ensuring that these companies will be able to consistently rely on the JOBS Act's scaled financial reporting requirement accommodation. It will eliminate an aberrational result that actually has been shown to require burdensome and unnecessary financial reporting obligations.

This bill clearly establishes that an emerging growth company will not be required to provide audited financial statements for any period earlier than 2 years, including in those instances I mentioned that were not previously addressed in the original JOBS Act.

Mr. Speaker, after 11 years of the JOBS Act, this particular section of the JOBS Act has shown that it has been wonderfully successful. We have more IPOs using the statute than any other change in security laws we have made as a Congress in recent memory. That is a great success.

We want to update that existing statute, and we are doing so in a bipartisan way. That should be a welcome sign for Congress, that we can do complicated things in a bipartisan way. That is what we are here to do.

Mr. Speaker, I urge my colleagues to vote ''yes.''

Mr. SHERMAN. Mr. Speaker, I yield myself such time as I may consume for closing.

This bill passed our committee by a 41-to-0 vote. In passing H.R. 2608, Congress is making sure that smaller companies have scaled-down disclosure obligations in all instances rather than just the initial public offering. We apply the same standard to acquisitions and follow-on offerings. This is a commonsense reform. It reduces the burden on small companies and still provides investors with 2 years of audited financial statements.

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

Mrs. WAGNER. Mr. Speaker, I strongly urge my colleagues to support H.R. 2608, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise today to speak on H.R. 2608, a bill to amend the Federal securities laws to specify the periods for which financial statements are required to be provided by an emerging growth company, and for other purposes.

H.R. 2608 would change the reporting period for financial statements submitted to the Securities and Exchange Commission (SEC) by an emerging growth company (EGC) or former EGC when it acquires another company.

The bill would ensure that EGCs and former EGCs submit financial statements for their target companies that cover a reporting period that does not exceed the earliest audited period for the EGC or former EGC, as presented in connection with an initial public offering.

Under current law, when reporting to the SEC, acquiring companies (including EGCs) must submit up to two years of financial statements for their target companies.

H.R. 2608 is a measure that will limit the financial information an emerging growth company must submit to the Securities and Exchange Commission.

Specifically, an emerging growth company is not required to present a financial statement for any period prior to the earliest audited period of the emerging growth company in connection with its initial public offering, such as a statement for an acquired company.

This bill is being amended to clarify and specify language in the original text.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 2608, as amended.

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

A motion to reconsider was laid on the table.

REGISTRATION STATEMENT CONTENTS FOR EMERGING GROWTH COMPANIES

Mrs. WAGNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2610) to amend the Securities Exchange Act of 1934 to specify certain registration statement contents for emerging growth companies, to permit issuers to file draft registration statements with the Securities and Exchange Commission for confidential review, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2610

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

SECTION 1. REGISTRATION STATEMENTS.

Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. 781(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.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Missouri (Mrs. WAGNER) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentlewoman from Missouri.

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 2610, a bill to harmonize the emerging growth company, EGC, financial statement requirements originally enacted in the JOBS Act of 2012.

I thank my colleague, and our esteemed chair of the Financial Services Committee, Chairman MCHENRY, for his leadership on this important piece of bipartisan legislation that will attract companies to go public here in the United States.

Title I of the bipartisan JOBS Act of 2012 established a new class of public companies, or issuers, called emerging growth companies, to attract small companies to go public and reverse the steady decline of small initial public offerings, IPOs, in American capital markets.

Under the JOBS Act, EGCs are granted scaled reporting and disclosure requirements for a limited time after they go public. This attractive accommodation allows the company to grow before absorbing the costly regulatory burdens faced by large public companies.

One accommodation EGCs may take advantage of under the JOBS Act is providing 2 years of audited financial statements rather than 3 years when conducting an IPO.

Sometimes an EGC in its entirety does not undertake an IPO and instead spins off a segment of its business as a new company and takes that spin-off public. However, spin-offs of an EGC may not take advantage of the 2-year financial statement accommodation.

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The EGC financial statement accommodations should apply equally, whether an EGC is conducting an IPO or spinning off a segment of its business and taking that company public.

Mr. Speaker, H.R. 2610 ensures consistency and equal application by clarifying that an EGC may present 2 years rather than 3 years of audited financial statements in both IPOs and spinoff transactions.

Mr. Speaker, for this reason, I urge my colleagues to support H.R. 2610, and I reserve the balance of my time.

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