

the FDA issued a long-awaited approval of Leqembi, the first-of-its-kind drug that changes the underlying course of early Alzheimer's disease.

This drug, which has shown promising results of slowing the progression of Alzheimer's by more than 25 percent over 18 months, will be fully available to Medicare patients, but providers will have to enter patients into a registry to collect information, and many families will still have to pay a significant out-of-pocket copay.

It is imperative that CMS continues to find ways to lift these barriers to this life-changing treatment and that CMS also changes its policy to allow for more than one PET scan, which has the ability to detect the amyloid plaque that causes Alzheimer's disease.

By having more treatment options available, patients can maintain their independence longer, get more precious time with their families, and have renewed hope for the future.

I will continue to work across the aisle in Congress and with the FDA and CMS to ensure all Alzheimer's patients have equitable and affordable access to innovative drugs such as this.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 14 minutes p.m.), the House stood in recess.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Ms. GREENE of Georgia) at 5 o'clock p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

AMENDING THE INVESTMENT ADVISERS ACT OF 1940 TO CODIFY CERTAIN SECURITIES AND EXCHANGE COMMISSION NO-ACTION LETTERS THAT EXCLUDE BROKERS AND DEALERS COMPENSATED FOR CERTAIN RESEARCH SERVICES FROM THE DEFINITION OF INVESTMENT ADVISER

Mrs. WAGNER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2622) to amend the Investment Advisers Act of 1940 to codify certain Securities and Exchange Commis-

sion no-action letters that exclude brokers and dealers compensated for certain research services from the definition of investment adviser, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2622

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

SECTION 1. EXTENSION OF NO-ACTION LETTER; STUDY.

(a) FINDINGS.—Congress finds the following:

(1) The Securities and Exchange Commission staff first granted temporary no-action relief in 2017, prior to the implementation of European rules designed to protect European investors from excessive costs and conflicts of interest.

(2) The Commission staff did not engage in any meaningful cost-benefit analysis of the issues raised by the no-action relief requested either prior to or following the granting of no-action relief in 2017.

(3) The Commission staff revised and extended the temporary no-action relief in 2019, again without any meaningful cost-benefit analysis of the issues raised by the no-action relief requested prior to or following the granting of the relief.

(4) There are currently approximately 15,300 registered investment advisers, including affiliates that provide the vast majority of investment research.

(5) The Commission has received complaints from investors and investor advocacy groups expressing concerns with the no-action relief, as it currently exists.

(6) The Commission has received concerns from broker-dealers related to the potential expiration of the no-action relief.

(b) EXTENSION OF NO-ACTION LETTER.—The Commission shall provide an additional 6-month extension of the October 26, 2017, Securities Industry and Financial Markets Association, SEC Staff No-Action Letter, set to expire on July 3, 2023.

(c) STUDY REQUIRED.—After the announcement extending the expiration date of the no-action letter under subsection (b), the Commission shall conduct, through notice and comment, a study of the impact of allowing the no-action letter's expiration or maintenance of the no-action letter, and give due regard to any comments received in conducting the study. The Commission or delegated staff shall report their findings and conclusions, including findings related to the expiration of the no-action relief, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(d) CONTENTS OF STUDY.—The study required under subsection (c) shall include potential impacts on the research market for smaller issuers, including—

(1) the availability of such research, including—

(A) the number and types of firms who provide such research;

(B) the volume of such research over time; and

(C) competition in the research market;

(2) any unique challenges faced by minority-owned, women-owned, and veteran owned small issuers in obtaining research coverage;

(3) the impact on the availability of research coverage for small issuers due to Commission rules;

(4) a cost-benefit analysis of regulatory options that will support research coverage of small entities and increase transparency in the cost of research provided by broker-dealers;

(5) the impact of the no-action relief on investors in registered investment companies and exempt investment funds, pension funds, endowments, and other asset owners, investment advisers, broker-dealers that provide both investment research and trading services, independent investment advisers that do not provide trading services, broker-dealers that do not provide investment research, and other market participants, including issuers of securities; and

(6) the potential impacts of the expiration of the no-action relief on investors in registered investment companies and exempt investment funds, pension funds, endowments, investment advisers, and other asset owners, broker-dealers that provide both investment research and trading services, independent investment advisers that do not provide trading services, broker-dealers that do not provide investment research, and other market participants, including issuers of securities.

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

I rise in support of H.R. 2622, a bill that would ensure broker-dealers can continue to provide investment research to Europe. This research is incredibly important for smaller and midsize public companies that rely on our capital markets.

I thank my colleagues from both sides of the aisle, Representatives Sessions and Gottheimer, for finding common ground and coming to a sensible agreement to ensure that policies enacted by the European Union's Markets in Financial Instruments Directive, MiFID, do not needlessly burden U.S. broker-dealers.

H.R. 2622 extends an SEC no-action letter originally issued in 2017, and extended again in 2019, for another 6 months, granting U.S. broker-dealers much-needed relief and giving the SEC time to properly study the impact of the no-action letter's expiration.

Widespread dissemination of research by U.S. broker-dealers to investment managers is critical to capital formation and to maintaining the competitiveness and efficiency of the U.S. capital markets. Moreover, non-U.S. and global investment managers rely on the excellent research conducted and provided by U.S. broker-dealers to inform their decisionmaking and fulfill their fiduciary duties to U.S. investors.

Unfortunately, the EU's MiFID II threatens to disrupt the current

broker-dealer research market by requiring separate payments for research services and trade execution. This small change would capture U.S. broker-dealers receiving unbundled payments for research services and put them under the Investment Advisers Act, subjecting them to an entirely new regulatory regime.

The SEC no-action letter, which H.R. 2622 extends, permits broker-dealers to accept separate cash payments from investment advisers without adding new, burdensome regulatory requirements.

Studies have shown that since MiFID II was introduced, there has been a reduction in the availability of research. Many broker-dealers have said that they will significantly curtail or eliminate their research services altogether if this no-action letter expires. Plus, as of last month, several European Union member states are seeking to reverse MiFID II.

Madam Speaker, to ensure the continued availability of investment research and better understand the consequences of allowing the SEC no-action letter to expire, I urge my colleagues to support H.R. 2622, and I reserve the balance of my time.

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

I rise in support of H.R. 2622, sponsored by the gentleman from Texas. To put this in context, we have one regulatory scheme to deal with broker-dealers and another to deal with registered investment advisers.

Traditionally in the United States, a broker-dealer is only registered as a broker-dealer, subject to that regulatory scheme, and the broker-dealer not only executes transactions but also gives advice and does research.

Our friends in Europe have required that under certain circumstances, a broker-dealer must charge separately for the research and advice on the one hand and for the execution of the transaction on the other.

Following that pattern would ordinarily cause that broker-dealer to be subject to that second regulatory scheme, the regulatory scheme for registered investment advisers. It is appropriate that since 2017 the SEC has had a no-action letter, saying that if broker-dealers under these circumstances do not register as investment advisers, the staff of the SEC will recommend to the board that it take no action, no enforcement action. Basically, it is a pass for the broker-dealer to follow the European rules but not register as a registered investment adviser, continuing to be subject to regulation only as a broker-dealer.

Now, this bill in its original form would have made this no-action letter, this pass permanent, but several investor groups expressed concerns about that original version of the bill. For example, a joint letter from the Council of Institutional Investors, the CFA Institute, and others argued against taking that approach without further thought.

During the committee markup, the gentleman from New Jersey (Mr. GOTTHEIMER) offered an amendment to change this bill from the permanent exemption to instead only relief for 6 months. It requires the SEC to study the impact of letting the no-action letter expire, something that the Financial Services Committee is very interested in understanding.

The bill would also review other tangential issues, including conflicts of interest and the provision of financial services by middle-market financial intermediaries.

With Mr. GOTTHEIMER's amendment adopted, I think this bill is a reasonable compromise, and I urge all of my colleagues to support the bill.

Madam Speaker, I reserve the balance of my time.

Mrs. WAGNER. Madam Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. SESSIONS), the author of this piece of legislation and my friend and colleague.

Mr. SESSIONS. Madam Speaker, I thank the chairwoman for the time, and I appreciate the gentleman from California standing in support of this bill, H.R. 2622.

In fact, this was a bipartisan agreement that we came to. The gentleman from New Jersey (Mr. GOTTHEIMER), and I worked on this, and he included some language he felt was very important.

The bottom line is that the SEC will be required to extend MiFID II relief and study its effects as part of long overdue and larger review of the regulatory framework for investment research.

I believe this agreement that we passed in the House Financial Services Committee on May 24 by a vote of 45-2 represents not just the thinking and thought process, but it really meets the needs of the investor community. For that reason, we believe that we are on the floor today.

I thank the chairman of the committee, Mr. MCHENRY, for not only bringing this but also for his leadership in a series of bills that we will have on the floor today. Mr. MCHENRY has served well, and I appreciate his service.

Mr. SHERMAN. Madam Speaker, I yield myself the balance of my time to close.

There is an image in the country that nothing is getting done in Washington, that we are tied up in partisan knots. As the gentleman from Texas points out, this bill passed our committee 45-2. Congress continues to function, although it is much more exciting for the press to cover the fights than the progress.

The amended version of H.R. 2622 being considered on the floor today represents a bipartisan compromise. It gives the SEC the time to address potential concerns laid out by stockholders related to the no-action letter for broker-dealers that offer research services from needing to register as investment advisers.

It is a well-thought-out response to our current situation. I urge my colleagues to support this bill and yield back the balance of my time.

Mrs. WAGNER. Madam Speaker, I would just simply urge my colleagues to support H.R. 2622, and I yield back the balance of my time.

Ms. JACKSON LEE. Madam Speaker, I rise to speak in support of H.R. 2622, a bill to amend the Investment Advisers Act of 1940 to codify certain Securities and Exchange Commission no-action letters that exclude brokers and dealers compensated for certain research services from the definition of investment adviser.

This bill provides statutory authority for specified Securities and Exchange Commission (SEC) guidance allowing broker-dealers to receive payments for research services provided to investment managers.

Under current law, broker-dealers that receive payments for performing this service must register as investment advisers.

However, the SEC currently waives enforcement against these broker-dealers.

The current no-action relief, which was temporarily granted in 2017 by the Securities and Exchange Commission (SEC), has received multiple complaints from investors and advocacy groups who have expressed reservations about the current no-action relief.

This bill helps to address these concerns, correct the defects of the current no-action relief, and resolve issues regarding the potential expiration of the current relief.

H.R. 2622 helps to strengthen American capital markets by providing U.S. brokers and dealers relief from undue external security market regulations and prevent a reduction in investment research that can potentially harm investment managers and the retail investor customers that they serve.

This bill also helps to further strengthen the standard conduct of investment advisory by ensuring that the best interests of customers are protected without regard to the financial and other private interests of brokers and dealers.

H.R. 2622 ensure that the SEC provides secure framework of rules and regulations that help to enhance investors' confidence in the system and safeguards their investment by ensuring transparency of the records.

This bill provides more concrete measures for the over 15,000 Registered Investment Advisers (RIAs) to effectively carry out their primary duties of providing tailored financial advice to their clients, management of investment portfolios, and other services to the public.

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. 2622, 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.

IMPROVING ACCESS TO SMALL BUSINESS INFORMATION ACT

Mrs. WAGNER. Madam Speaker, I move to suspend the rules and pass the