



June 13, 2018

The Honorable Jeb Hensarling  
Chairman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters,

The Securities Industry and Financial Markets Association (SIFMA)<sup>1</sup> supports H.R. 6035, the Streamlining Communications for Investors Act of 2018, and urges its adoption. Introduced by Rep. Ted Budd (R-NC), this bill would correct an operational issue with the Securities and Exchange Commission's (SEC's) Rule 163 safe harbor for well-known seasoned issuers ("WKSI's") and would improve the flow of information between investors and issuers.

The SEC's Rule 163 granted WKSI's a safe harbor on certain communications with investors in advance of a securities offering. This important safe harbor allows WKSI's to gauge investor interest and ensure that new offerings occur at opportune times. However, many WKSI's are unable to take advantage of the Rule 163 safe harbor for the simple reason that they have limited experience conducting securities offerings themselves. In 2009, the Securities and Exchange Commission (SEC) proposed amending Rule 163 to extend that safe harbor to underwriters or dealers who make offers to investors on behalf of a WKSI. SIFMA supported that amendment but was disappointed that the SEC failed to complete its rulemaking. This bill would simply direct the SEC to complete its 2009 rulemaking.

Expanding the Rule 163 safe harbor to underwriters would break down an artificial barrier between issuers and the investing public and improve the efficiency of our capital markets. SIFMA supports passage of H.R. 6035.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Oxner", is written over a white background.

Dave Oxner  
Managing Director, Head of Federal Government Relations  
SIFMA

CC: The Honorable Ted Budd (R-NC)

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<sup>1</sup> SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).