



October 31, 2019

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

The Honorable Patrick McHenry  
Ranking Member, House Committee  
on Financial Services  
4340 O'Neill Office Building  
Washington, DC 20024

Dear Chairwoman Waters and Ranking Member McHenry,

The Securities Industry and Financial Markets Association (“SIFMA”)<sup>1</sup> and its member firms strongly support your efforts to evaluate the range of capital formation proposals that have been put forward by policymakers, stakeholders, and others over the past several years. Your efforts to review the current regulatory structure and consider amendments to the various laws governing our capital markets can serve to improve market efficiency for the benefit of those who rely on our markets to invest in new businesses, plant and equipment and create jobs.

SIFMA writes in support of H.R. 4918, the Helping Startups Continue to Grow Act of 2019. Introduced by Representative Bryan Steil (R-Wis.), this bill would encourage more companies to go public by extending the emerging growth company (EGC) on-ramp. The cornerstone of the Jumpstart Our Business Startups (JOBS) Act of 2012 was its creation of an IPO on-ramp that scaled disclosure requirements, reducing the cost to businesses of accessing our public capital markets. The scaled disclosure requirements have proven valuable to issuers trying to raise the funds they need to hire workers and develop new technologies. Importantly, scaled disclosure did not dampen investor interest in EGC securities and by encouraging more companies to go public, Congress created new opportunities for everyday retail investors to participate in the wealth creation made possible by our public markets. An expansion of the on-ramp from five to ten years for companies that would otherwise retain EGC status would build on one of the most successful pieces of the JOBS Act and help make our public markets more vibrant and dynamic.

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<sup>1</sup> SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate for legislation, regulation and business policy, affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).

As the number of public companies declines, policymakers must ensure our public markets remain the envy of the world. Measures such as H.R. 4918 will encourage more companies to go public without compromising investor protection, and SIFMA supports the adoption of this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Jamie Wall". The signature is written in a cursive, flowing style with a large initial "J" and a long, sweeping underline.

Jamie Wall  
Executive Vice President, Advocacy  
SIFMA