

119TH CONGRESS
1ST SESSION

H. R. 3382

IN THE SENATE OF THE UNITED STATES

JULY 22, 2025

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To require the Securities and Exchange Commission to carry out a study and rulemaking on the definition of the term “small entity” under the securities laws for purposes of chapter 6 of title 5, United States Code, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Entity Update
3 Act”.

4 **SEC. 2. STUDIES, REPORTS, AND RULES REGARDING SMALL**
5 **ENTITIES.**

6 (a) DEFINITIONS.—In this section—

7 (1) the term “Commission” means the Securi-
8 ties and Exchange Commission; and

9 (2) the term “small entity”—

10 (A) has the meaning given the term in sec-
11 tion 601 of title 5, United States Code, with re-
12 spect to the activities of the Commission; and

13 (B) includes any definition established by
14 the Commission of the term “small business”,
15 “small organization”, “small governmental ju-
16 risdiction”, or “small entity” under paragraph
17 (3), (4), (5), or (6), respectively, of section 601
18 of title 5, United States Code, with respect to
19 the activities of the Commission.

20 (b) STUDIES AND REPORTS.—Not later than 1 year
21 after the date of enactment of this Act, and again 5 years
22 thereafter, the Commission shall—

23 (1) conduct a study of the definition of the
24 term “small entity” with respect to the activities of
25 the Commission for the purposes of chapter 6 of
26 title 5, United States Code, which shall consider—

1 (A) the extent to which the definition of
2 the term “small entity”, as in effect during the
3 period in which the study is conducted, aligns
4 with the findings and declarations made under
5 section 2(a) of the Regulatory Flexibility Act (5
6 U.S.C. 601 note);

7 (B) the amount by which financial markets
8 in the United States have grown since the last
9 time the Commission amended the definition of
10 the term “small entity”, if applicable; and

11 (C) how the Commission should define the
12 term “small entity” to ensure that a meaningful
13 number of entities would fall under that defini-
14 tion; and

15 (2) submit to Congress a report that includes—

16 (A) the results of the applicable study con-
17 ducted under paragraph (1); and

18 (B) specific and detailed recommendations
19 on the ways in which the Commission could
20 amend the definition of the term “small entity”
21 to—

22 (i) be consistent with the results de-
23 scribed in subparagraph (A); and

24 (ii) expand the number of entities cov-
25 ered by such definition.

1 (c) RULEMAKING.—Concurrently with, or after the
2 completion of, each study required under subsection (b),
3 the Commission shall, subject to public notice and com-
4 ment, revise the rules of the Commission consistent with
5 the results of such study.

6 (d) INFLATION ADJUSTMENTS.—After the Commis-
7 sion issued the final rule revisions required under sub-
8 section (c), and every 5 years thereafter, the Commission
9 shall adjust any dollar figures under the definition of small
10 entity established by the Commission to reflect the change
11 in the Consumer Price Index for All Urban Consumers
12 published by the Bureau of Labor Statistics of the Depart-
13 ment of Labor.

Passed the House of Representatives July 21, 2025.

Attest: KEVIN F. MCCUMBER,
Clerk.