

119TH CONGRESS
1ST SESSION

S. 2924

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.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2025

Mrs. BRITT (for herself and Mr. KIM) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Entity Update
5 Act”.

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

3 (a) DEFINITIONS.—In this section—

4 (1) the term “Commission” means the Securi-
 5 ties and Exchange Commission; and

6 (2) the term “small entity”—

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

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

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

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

24 (A) the extent to which the definition of
 25 the term “small entity”, as in effect during the
 26 period in which the study is conducted, aligns

1 with the findings and declarations made under
2 section 2(a) of the Regulatory Flexibility Act (5
3 U.S.C. 601 note);

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

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

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

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

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

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

21 (ii) expand the number of entities cov-
22 ered by such definition.

23 (c) RULEMAKING.—Concurrently with, or after the
24 completion of, each study required under subsection (b),
25 the Commission shall, subject to public notice and com-

1 ment, revise the rules of the Commission consistent with
2 the results of such study.

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

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