

EXPANDING WKSI ELIGIBILITY ACT

SEPTEMBER 8, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

R E P O R T

[To accompany H.R. 4430]

The Committee on Financial Services, to whom was referred the bill (H.R. 4430) to lower the aggregate market value of voting and non-voting common equity necessary for an issuer to qualify as a well-known seasoned issuer, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Expanding WKSI Eligibility Act”.

SEC. 2. DEFINITION OF WELL-KNOWN SEASONED ISSUER.

(a) **IN GENERAL.**—For purposes of the Federal securities laws, and regulations issued thereunder, an issuer shall be a “well-known seasoned issuer” if—

(1) the aggregate market value of the voting and non-voting common equity held by non-affiliates of the issuer is \$400,000,000 or more (as determined under Form S-3 general instruction I.B.1. as in effect on the date of enactment of this Act); and

(2) the issuer otherwise satisfies the requirements of the definition of “well-known seasoned issuer” contained in section 230.405 of title 17, Code of Federal Regulations (as in effect on the date of enactment of this Act) without reference to any requirement in such definition relating to minimum worldwide market value of outstanding voting and non-voting common equity held by non-affiliates.

(b) **REPORT ON WITHDRAWN APPLICATIONS RELATED TO WELL-KNOWN SEASONED ISSUER STATUS.**—The Securities and Exchange Commission shall, not later than 90 days after the end of each calendar year, publish the total number of applications submitted during such calendar year where the applicant—

(1) submitted the application under section 230.405 of title 17, Code of Federal Regulations, for a determination by the Commission that the applicant not be considered an ineligible issuer under such section;

(2) requested such determination in order to meet the definition of a well-known seasoned issuer under such section; and

(3) withdrew the application.

PURPOSE AND SUMMARY

H.R. 4430, the *Expanding WKSI Eligibility Act*, was introduced on July 16, 2025, by Republican Representative Bryan Steil (WI-01). H.R. 4430 updates the definition of Well-Known Seasoned Issuer (WKSI) status by lowering the public float requirement from \$700 million to \$400 million to extend its benefits to a larger number of companies. Additionally, the bill requires the Securities and Exchange Commission (SEC) to publish the total number of WKSI waiver applications and withdrawals.

BACKGROUND AND NEED FOR LEGISLATION

Currently, WKSI status is unduly limited. The last two decades of successful experience have shown that the WKSI category merits expansion. First, since the introduction of the WKSI definition nearly two decades ago, the automatic shelf registration process and other benefits available to WKSI issuers have significantly improved capital formation and market efficiency without compromising investor protection. When initially proposing the WKSI category, the SEC acknowledged that a much lower float test for WKSI status could be appropriate.

Second, for the last three decades, companies with a public float of \$75 million have been able to engage in short-form registration of securities using the integrated disclosure system based on those companies’ periodic reporting. As a result, Congress should require a much lower public float test for WKSI status. By updating the WKSI definition to apply to companies with a public float of \$400 million, H.R. 4430 allows qualified companies to use the shelf registration process, saving them time and money when they go to the public markets to raise capital.

COMMITTEE CONSIDERATION**119TH CONGRESS**

On July 16, 2025, Representative Steil introduced H.R. 4430, the *Expanding WKSI Eligibility Act*. Representatives Cleo Fields (D-

LA), Daniel Meuser (R–PA), and James Himes (D–CT) were added subsequently as cosponsors. The bill was referred solely to the Committee on Financial Services. The bill was attached to the February 26, 2025, hearing titled “The Future of American Capital: Strengthening Public and Private Markets by Increasing Investor Access and Facilitating Capital Formation,” and the March 25, 2025, hearing titled, “Beyond Silicon Valley: Expanding Access to Capital Across America.”

On July 25, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 4430. The Committee ordered H.R. 4430, as amended, to be favorably reported to the House of Representatives.

118TH CONGRESS

On April 13, 2023, Representative Steil introduced H.R. 2625, a bill *to lower the aggregate market value of voting and non-voting common equity necessary for an issuer to qualify as a well-known seasoned issuer*. This bill is an earlier iteration of H.R. 4430. The bill was referred solely to the Committee on Financial Services. There was no further action on the bill in the 118th Congress.

117TH CONGRESS

On December 14, 2022, Representative Steil introduced H.R. 9562, a bill *to lower the aggregate market value of voting and non-voting common equity necessary for an issuer to qualify as a well-known seasoned issuer*. This bill is an earlier iteration of H.R. 4430. The bill was referred solely to the Committee on Financial Services. There was no further action on the bill in the 117th Congress.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearings were used to develop H.R. 4430:

The Capital Markets Subcommittee of the Committee on Financial Services held a February 26, 2025, hearing titled “The Future of American Capital: Strengthening Public and Private Markets by Increasing Investor Access and Facilitating Capital Formation” and the Full Committee held a March 25, 2025, hearing titled, “Beyond Silicon Valley: Expanding Access to Capital Across America.” A discussion draft version of the bill was attached to both hearings. The following witnesses testified at the February 26, 2025, hearing: Mr. Andrew Barnell, CEO and Co-Founder, Geneoscopy; Mr. McKeever Conwell, Founder and Managing Partner, RareBreed Ventures; Ms. Rebecca Kacaba, CEO and Co-Founder, DealMaker; Ms. Anna Pinedo, Partner, Mayer Brown; and Ms. Alexandra Thornton, Senior Director, Financial Regulation, Center for American Progress. The following witnesses testified at the March 25, 2025, hearing: Mr. Steve Case, Chairman and CEO, Revolution LLC; Mr. Bill Newell, Senior Business Advisor & Former CEO, Sutro Biopharma; Ms. Candice Matthews Brackeen, General Partner, Lightship Capital; Mr. Joel Trotter, Partner, Latham & Watkins LLP; and Ms. Amanda Senn, Director of the Alabama Securities Commission.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include record votes on the motion to report legislation and amendments thereto.

On July 22, 2025, the Committee ordered H.R. 4430, as amended, to be reported favorably to the House by a recorded vote of 51 yeas and 2 nays. (Record Vote No. FC-174).

Before the question to report was called, the Committee adopted an amendment in the nature of a substitute offered by Representative Steil, designated as Steil 028, which adjusts the threshold for issuers to be considered as WKSI and requires the SEC to publish the total number of WKSI applications and withdrawals submitted. This amendment was adopted by voice vote.

Committee on Financial Services

Markup 7

Bill: **H.R. 4430**

July 22, 2025

Measure: **H.R. 4430, as amended**

Amdt/Designated:

Record Vote No.

Motion: **to report the measure favorably**

FC-174

Disposition:

AGREED TO (51-2)

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Member Waters	X		
Mr. Lucas	X			Ms. Velázquez	X		
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks	X		
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)	X		
Mr. Emmer	X			Mr. Cleaver	X		
Mr. Loudermilk	X			Mr. Himes			X
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty	X		
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons	X			Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman	X			Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley		X	
Mrs. Kim	X			Ms. Tlaib		X	
Mr. Donalds	X			Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)	X		
Mr. Fitzgerald	X			Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen	X		
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles	X			Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	30	0	0		21	2	1

Committee Totals:

51	2	1
Yeas	Nays	Not Voting

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 4430 is to update the WKSJ definition to allow qualified companies to use the self-registration process, saving the companies time and money when they go to the public markets to raise capital.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 4430. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee will adopt as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office. However, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

EARMARK STATEMENT

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the “Expanding WKSI Eligibility Act.”

Section 2. Definition of well-known seasoned issuer

Section 2 provides that an issuer shall be considered a WKSI if the aggregate market value of the voting and non-voting common equity held by non-affiliates of the issuer is \$400,000,000 or more and the issuer otherwise satisfies the requirements of the definition of WKSI. Section 2 requires the SEC, within 90 days after each calendar year, to publish the total number of applications in which an issuer sought a determination that it should not be considered an “ineligible issuer,” in order to qualify as a well-known seasoned issuer, but later withdrew the application.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 4430 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the House of Representatives.