119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–25

ALIGNING SEC REGULATIONS FOR THE WORLD BANK'S INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

MARCH 21, 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. 1764]

The Committee on Financial Services, to whom was referred the bill (H.R. 1764) to accord securities issued by the International Development Association the same exemption from the securities laws that applies to the securities of other multilateral development banks in which the United States is a member, 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:

59–006

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aligning SEC Regulations for the World Bank's International Development Association Act".

SEC. 2. EXEMPTION OF SECURITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION FROM THE SECURITIES LAWS.

(a) IN GENERAL.—The International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end the following:

"SEC. 33. EXEMPTION OF SECURITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION FROM THE SECURITIES LAWS.

"(a) EXEMPTION FROM SECURITIES LAWS; REPORTS TO SECURITIES AND EXCHANGE COMMISSION.—Any securities issued by the Association (including any guaranty by the Association, whether or not limited in scope) and any securities guaranteed by the Association as to both principal and interest shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) and section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)). The Association shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Association and its operations and necessary in the public interest or for the protection of investors.

"(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION TO SUSPEND EXEMPTION; REPORTS TO CONGRESS.—The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) of this section at any time as to any or all securities issued or guaranteed by the Association during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect 30 days after the date of enactment of this Act.

(2) EXCEPTION.—Notwithstanding paragraph (1), the amendment made by subsection (a) shall not take effect if, before the effective date described under paragraph (1), the Secretary of the Treasury reports to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that the International Development Association is providing financial assistance to any country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979, section 620A of the Foreign Assistance Act of 1961, or section 40 of the Arms Export Control Act, to be a government that has repeatedly provided support for acts of international terrorism.

PURPOSE AND SUMMARY

Introduced on March 3, 2025, by Representative Maxine Waters, H.R. 1764, the *Aligning SEC Regulations for the World Bank's International Development Association Act*, would classify securities issued by the World Bank's International Development Association (IDA) as exempted securities, subject to reporting requirements deemed appropriate by the Securities and Exchange Commission.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 1764 brings about parity among other World Bank groups and various other multilateral development banks to classify securities issued by the World Bank's IDA as exempted securities. Prior to 2018, IDA did not raise funds in the securities market and therefore did not require this exemption. The exemption remains consistent with previous treatment of multilateral development bank securities.

Committee Consideration

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On February 7, 2023, the Committee Financial Services held a hearing titled "Combatting the Economic Threat from China," which examined tools to combat the economic threat from China. Witnesses were Mr. Rich Ashooh, former Assistant Secretary of Commerce for Export Administration; Mr. Tom Feddo, former Assistant Secretary for Investment Security at the Department of Treasury and former Assistant Director for Enforcement at the Office of Foreign Assets Control; Mr. Eric Lorber, former Senior Advisor to the Undersecretary for Treasury's Terrorism and Financial Intelligence Division; Mr. Clete Willems, former Deputy National Security Advisor and Deputy National Economic Advisor; and Mr. Peter Harrell, former Senior Director for International Economic Policy with the Biden Administration.

On February 24, 2023, Representative Maxine Waters (D–CA) introduced H.R. 1161, the *Aligning SEC Regulations for the World Bank's International Development Associations Act*. The bill was referred solely to the Committee on Financial Services.

The Committee on Financial Services met in open session on February 28, 2023, and ordered H.R. 1161 to be reported favorably to the House as amended by a recorded vote of 38 yeas and 0 nays, a quorum being present (Record Vote No. FC–23). Before the question was called to order the bill favorably reported, the Committee adopted an amendment in the nature of a substitute offered by Ms. Waters by voice vote.

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On March 5, 2025, Representative Maxine Waters (D–CA) introduced H.R. 1764, the *Aligning SEC Regulations for the World Bank's International Development Associations Act*. The bill was referred solely to the Committee on Financial Services.

Related Hearings

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 1764:

The Full Committee held a hearing on February 25, 2025, titled "Examining Policies to Counter China." A discussion draft of the bill was considered in this hearing. Witness who testified were: John Miller, Senior Vice President of Policy, Trust, Data, and Technology, and General Counsel, Information Technology Industry Council; Nicholas McMurray, Managing Director of International and Nuclear Policy, ClearPath; John Cassara, retired United States Treasury Department Special Agent; Martin Muhleisen, Nonresident Senior Fellow at the GAO Economic Center at the Atlantic Council; and Dr. Rush Doshi, C.V. Starr Senior Fellow for Asian Studies, and Director of the China Strategy Initiative at the Council on Foreign Relations, and an assistant professor at Georgetown University.

The Committee on Financial Services met in open session on March 5, 2025 to consider, among others, H.R. 1764.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On March 5, 2025, the Committee ordered H.R. 1764, as amended, to be reported favorably to the House by a recorded vote of 49 yeas to 0 nays, a quorum being present. (Record Vote No. FC–026).

Before the question to report was called, the Committee adopted an amendment in the nature of a substitute offered by Ms. Waters making technical changes by voice vote.

Committee on Financial Services

Markup 1
March 5, 2025

Bill **H.R. 1764**
Motion **To report favorably**
Amendment **H.R. 1764 (as amended)**

Record Vote No.
FC-026

Disposition **Adopted (49-0)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Members 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		19	0	5

	Yeas	Nays	Not Voting
Committee Totals:	49	0	5

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. 1764 is to classify securities issued by the World Bank's IDA as exempted securities and to require the Secretary of the Treasury to certify that the IDA is not providing financial assistance to any country that has repeatedly provided support for acts of international terrorism.

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. 1764.

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 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*, 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 Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

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

The following is a section-by-section analysis of H.R. 1764, the Aligning SEC Regulations for the World Bank's International Development Associations Act.

Section 1. Short title

Section 1 provides that the short title is "Aligning SEC Regulations for the World Bank's International Development Association Act."

Section 2. Exemption of Securities of the International Development Association from the Securities Laws

- Amends the *International Development Association Act* (22 U.S.C. 284–284cc) to align securities guaranteed by the Association with the exemptions provided under the *Securities Act of 1933* (15 U.S.C. 77c(a)(2)) and the *Securities Exchange Act of 1934* (15 U.S.C. 78c(a)(12)).
- Provides the Securities and Exchange Commission authority to suspend the exemptions.
- Provides an effective date of 30 days after enactment.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

*   *   *   *   *   *   *

SEC. 33. EXEMPTION OF SECURITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION FROM THE SECURITIES LAWS.

(a) EXEMPTION FROM SECURITIES LAWS; REPORTS TO SECURITIES AND EXCHANGE COMMISSION.—Any securities issued by the Association (including any guaranty by the Association, whether or not limited in scope) and any securities guaranteed by the Association as to both principal and interest shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) and section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)). The Association shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Association and its operations and necessary in the public interest or for the protection of investors.

(b) AUTHORITY OF SECURITIES AND EXCHANGE COMMISSION TO SUSPEND EXEMPTION; REPORTS TO CONGRESS.—The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) of this section at any time as to any or all securities issued or guaranteed by the Association during the period of such suspension. The Commission shall include in its annual reports to the Congress such information as it shall deem advisable with regard to the operations and effect of this section.

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