



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 17, 2015

**H.R. 686
Small Business Mergers, Acquisitions, Sales, and Brokerage
Simplification Act of 2015**

*As ordered reported by the House Committee on Financial Services
on May 20, 2015*

Under H.R. 686, brokers engaging in certain securities transactions that involve transferring ownership of a privately held company would be exempt from requirements to register with the Securities and Exchange Commission (SEC). CBO expects that the change in the workload of the SEC to implement H.R. 686 would not be significant because the bill would not require the agency to undertake a formal rulemaking.

CBO estimates that implementing H.R. 686 would lead to a small increase in spending by the SEC to clarify the applicability of regulations regarding registration requirements for brokers of mergers and acquisitions. The SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, CBO estimates that the net budgetary effect of implementing the bill would not be significant, assuming appropriation actions consistent with that authority. Because this legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

H.R. 686 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are Susan Willie and Ben Christopher. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.