



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

January 16, 2018

**H.R. 4279**  
**Expanding Investment Opportunities Act**

*As ordered reported by the House Committee on Financial Services  
on November 15, 2017*

Under current law, the Securities and Exchange Commission (SEC) allows certain public companies, called well-known seasoned issuers (WKSIs), to use streamlined registration, reporting, and communication when issuing securities. The effects of that streamlined process include: having certain securities' registration statements take effect automatically when filed and without SEC review, the ability to exclude certain information from securities' registration statements, and the ability to communicate certain information to investors before statements are filed. Certain types of investment companies currently cannot be granted WKSI status, even if they meet the other requirements. H.R. 4279 would direct the SEC to allow closed-end companies that meet certain requirements to be considered WKSIs.

Using information from the SEC, CBO estimates that implementing H.R. 4279 would cost less than \$500,000 over the 2018-2022 period for the agency to conduct a rulemaking to implement the bill. Moreover, the SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, CBO estimates that the net effect on discretionary spending would be negligible, assuming appropriation actions consistent with that authority.

Enacting H.R. 4279 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 4279 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 4279 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

If the SEC increases fees or premiums to offset the costs associated with implementing the bill, H.R. 4279 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of the mandate would be small and below the annual threshold for private-sector mandates established in UMRA (\$156 million in 2017, adjusted annually for inflation).

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Rachel Austin (for mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.