

**Suspend the Rules and Pass the Bill, H.R. 2812, With an Amendment**

**(The amendment strikes all after the enacting clause and inserts a new text)**

118TH CONGRESS  
1ST SESSION

# H. R. 2812

To require the Securities and Exchange Commission to carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings.

---

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2023

Mr. HIMES introduced the following bill; which was referred to the Committee on Financial Services

---

## A BILL

To require the Securities and Exchange Commission to carry out a study of the costs associated with small- and medium-sized companies to undertake initial public offerings.

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 “Middle Market IPO  
5 Cost Act”.

1 **SEC. 2. STUDY ON IPO FEES.**

2 (a) STUDY.—The Comptroller General of the United  
3 States, in consultation with the Securities and Exchange  
4 Commission, in consultation with the Financial Industry  
5 Regulatory Authority, shall carry out a study of the costs  
6 associated with small- and medium-sized companies to un-  
7 dertake initial public offerings (“IPOs”). In carrying out  
8 such study, the Comptroller General shall—

9 (1) consider the direct and indirect costs of an  
10 IPO, including—

11 (A) fees of accountants, underwriters, and  
12 any other outside advisors with respect to the  
13 IPO;

14 (B) compliance with Federal and State se-  
15 curities laws at the time of the IPO; and

16 (C) such other IPO-related costs as the  
17 Comptroller General may consider;

18 (2) compare and analyze the costs of an IPO  
19 with the costs of obtaining alternative sources of fi-  
20 nancing and of liquidity;

21 (3) consider the impact of such costs on capital  
22 formation;

23 (4) analyze the impact of these costs on the  
24 availability of public securities of small- and me-  
25 dium-sized companies to retail investors; and

1           (5) analyze trends in IPOs over a time period  
2           the Comptroller General determines is appropriate to  
3           analyze IPO pricing practices, considering—

4                   (A) the number of IPOs;

5                   (B) how costs for IPOs have evolved over  
6           time for underwriters, investment advisory  
7           firms, and other professions for services in con-  
8           nection with an IPO;

9                   (C) the number of brokers and dealers ac-  
10          tive in underwriting IPOs;

11                  (D) the different types of services that un-  
12          derwriters and related persons provide before  
13          and after a small- or medium-sized company  
14          IPO and the factors impacting IPOs costs;

15                  (E) changes in the costs and availability of  
16          investment research for small- and medium-  
17          sized companies; and

18                  (F) the impacts of litigation and its costs  
19          on being a public company.

20          (b) REPORT.—Not later than the end of the 360-day  
21          period beginning on the date of the enactment of this Act,  
22          the Comptroller General shall issue a report to the Con-  
23          gress containing all findings and determinations made in  
24          carrying out the study required under subsection (a) and

- 1 any administrative or legislative recommendations the
- 2 Comptroller General may have.