

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

NEIL L. BRADLEY  
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June 13, 2018

The Honorable Jeb Hensarling  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

The U.S. Chamber of Commerce supports three bills the Committee is scheduled to markup on June 14, 2018. The Chamber appreciates the Committee's continued focus on finding ways to help companies raise capital and to modernize our nation's financial regulatory structure. The Chamber supports the following bills:

**H.R. 6035, the "Streamlining Communications for Investors Act,"** would allow underwriters and dealers to engage in communications with investors on behalf of well-known seasoned issuers, or "WKSIs." While current SEC rules allow issuers to engage in pre-filing communications, underwriters are often best positioned to "test the waters" prior to an offering. Allowing WKSIs to authorize an underwriter or dealer to communicate about offerings of the issuer's securities would help these companies better gauge investor interest before having to expend the time and resources to file a formal registration statement. The SEC proposed allowing such communications in 2009, however the post-financial crisis response at the SEC consumed other priorities such as this. We believe this legislation is much needed to help companies better communicate with investors prior to issuing securities into the market.

**H.R. 5749, the "Options Markets Stability Act,"** would require the appropriate Federal banking agencies to increase the risk-sensitivity of the capital treatment of certain centrally cleared options. This legislation would mitigate the disincentive for banks to provide clearing services to market participants by appropriately providing an offset using a "delta adjustment" and "netting" of correlated positions in the calculation of the Current Exposure Method used for bank capital rules. Put simply, this legislation would help more accurately reflect the actual risk associated with clearing options.

**H.R. 6068, the "Counter Terrorism and Illicit Finance Act,"** would provide for much needed modernization of the Bank Secrecy Act (BSA) and associated anti-money laundering (AML) regulations. Much of the BSA-AML regulatory regime has not been updated since the 1970s, and this legislation would help reduce compliance burdens on financial institutions while maintaining the regulatory framework necessary to identify bad actors in the financial system. This bill would modestly increase thresholds for suspicious activity reports and currency

transaction reports and would help regulators better prioritize BSA-AML initiatives. It would also provide for a much needed 18-month safe harbor from enforcement actions under the newly adopted customer due diligence (CDD) rule, issued by the Financial Crimes Enforcement Network (FinCEN). The CDD rule – while well intended – carries significant implementation concerns, and the safe harbor provided in this bill would help financial institutions navigate the new rules while coming into compliance.

We commend the Financial Services Committee for again putting forth a number of positive bills, and look forward to working with the Committee and Congress as these bills advance through the legislative process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Neil L. Bradley", with a stylized flourish at the end.

Neil L. Bradley

cc: Members of the House Committee on Financial Services