

Ranking Member Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
September 12, 2023 at 10:00 AM

I've been calling for this hearing since February 14th, when this Committee held an oversight hearing on the FTX crypto crash. A lot has happened since your appearance last September. We experienced several bank failures, and in response, this Committee called up the relevant financial institutions and regulators to hold them accountable for their actions. But, when it comes to the SEC, we've had to wait a whole year to speak with you in person – even when a company like FTX collapses, we still have to wait.

As SEC Chair, your goal should be to fuel competition and innovation in the marketplace and expand the ability of Americans from all walks of life – whether that be a Boeing aircraft mechanic in North Charleston or a soybean farmer in Fort Dodge, Iowa – to access a wide spectrum of investment options for their hard-earned dollars. Without pro-growth regulations we are limiting opportunities for our kids, and our kids' kids, from being able to take control of their own financial futures. That's why it's especially troubling, that under your leadership, the SEC has failed to implement these types of pro-growth rules. Instead, your agency has churned out a seemingly endless assembly line of new and unneeded regulatory hurdles to capital formation and market access.

Rulemakings must be done in a thorough, transparent manner, which includes responsiveness to Congressional oversight, including from the minority members of this Committee. The American people have a right to know what their government is doing, and your agency's blatant refusal to respond to our Constitutionally mandated oversight represents a dereliction of your duties to the American people.

Throughout my time in Congress, I've prioritized enacting policies that open more doors to opportunity for future generations and give Americans in every corner of the United States the chance to better their economic standing and build generational wealth. It is clear under this administration, and under your time as SEC Chairman, that regulation, not innovation, is the preferred medicine for every perceived policy injury. This should not be the case.

In his questioning, Ranking Member Scott called out Chair Gensler for his failure to allow for a reasonable amount of time for the public to provide input on proposed rules and for the widespread impact and confusion created by agency's proposed rules on everyday American investors. Excerpts from Ranking Member Scott's questioning are below, and full remarks are here.

Relatedly, despite your reassurances that the public – especially the millions of everyday investors most directly impacted by these proposals – would have sufficient opportunity to provide feedback through the notice and comment process, your agency provided just over 90 days to sift through nearly 1,700 pages of four proposed rules, wrapped into one proposal. This same proposal included roughly 1,200 questions from your staff for industry feedback. If you have over a thousand questions, I fail to see how you can say, with a straight face, that you have issued a proposed rule and not a request for information.

According to the Committee on Capital Markets, under your leadership, the SEC has put forward 47 proposals and adopted 22 of them in the first several months of your leadership. What's even more troubling, is these rules stand to completely change our capital market structure, which benefits the average investor more today than at any other point in history. The breakneck pace you are pumping out regulations should not be applauded. The regulations the SEC has proposed under your leadership are unjustified and are sowing discord and confusion for industry and market participants alike. How do you square your mission, which includes maintaining "fair, orderly and efficient markets" with the upheaval of market functioning you aim to create?

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