

Accepted Topic for February 14, 2019
U.S. Treasury Testimony of Karl
Cureton, NMTC Chairman

Topic: Concerning the Regulatory Flexibility Act and Treasury's certification

Narrative:

Taxpayers who invest in opportunity funds and qualified opportunity businesses will have a significant future economic impact on a substantial number of U.S. small entities. Unfortunately, Treasury has certified that these proposed regulations, if adopted, would not have a significant economic impact on a substantial number of small entities that are directly affected by the proposed regulations.

As one of the country's fastest growth technology sectors, NMTC represents over 65,000 minority technology companies with total annual sales of over \$100 Billion. NMTC has assessed this proposed rule (Section 1400Z-2) and Section 1400Z-1 both as high impact pieces of legislation.

It is critical Treasury reconsiders its position to be in alignment with the White House's stated position that Opportunity Fund investments exist to, in part, fund new and small businesses. NMTC highly recommends Treasury and the SBA take immediate action to include an initial regulatory flexibility analysis to the Chief Counsel for Advocacy of the SBA.

To accomplish this process Treasury must de-certify its position concerning the Regulatory Flexibility Act and consider the impact on the U.S. small business ecosystem.

Furthermore, more consideration is needed on how Treasury defines a Qualified Opportunity Zone Business. Chairman Cureton will outline how technology innovation, governance and investor understanding of risk is predicated on a better definition of the structure of a Qualified Opportunity Zone Business.

Chairman Cureton will also discuss multiple examples to illuminate the necessity of this change and the impact Opportunity Funds will have in bolstering the local economy in our most distressed U.S. communities.