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(Original Signature of Member)

114TH CONGRESS  
1ST SESSION

# H. R.

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To make technical corrections to the Dodd-Frank Wall Street Reform and Consumer Protection Act, to enhance the ability of small and emerging growth companies to access capital through public and private markets, to reduce regulatory burdens, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. FITZPATRICK introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To make technical corrections to the Dodd-Frank Wall Street Reform and Consumer Protection Act, to enhance the ability of small and emerging growth companies to access capital through public and private markets, to reduce regulatory burdens, and for other purposes.

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 “Promoting Job Cre-  
5 ation and Reducing Small Business Burdens Act”.

**1 SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

**TITLE I—BUSINESS RISK MITIGATION AND PRICE STABILIZATION ACT**

- Sec. 101. Margin requirements.
- Sec. 102. Implementation.

**TITLE II—TREATMENT OF AFFILIATE TRANSACTIONS**

- Sec. 201. Treatment of affiliate transactions.

**TITLE III—HOLDING COMPANY REGISTRATION THRESHOLD EQUALIZATION ACT**

- Sec. 301. Registration threshold for savings and loan holding companies.

**TITLE IV—SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION ACT**

- Sec. 401. Registration exemption for merger and acquisition brokers.
- Sec. 402. Effective date.

**TITLE V—SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTIONS**

- Sec. 501. Repeal of indemnification requirements.

**TITLE VI—IMPROVING ACCESS TO CAPITAL FOR EMERGING GROWTH COMPANIES ACT**

- Sec. 601. Filing requirement for public filing prior to public offering.
- Sec. 602. Grace period for change of status of emerging growth companies.
- Sec. 603. Simplified disclosure requirements for emerging growth companies.

**TITLE VII—SMALL COMPANY DISCLOSURE SIMPLIFICATION ACT**

- Sec. 701. Exemption from XBRL requirements for emerging growth companies and other smaller companies.
- Sec. 702. Analysis by the SEC.
- Sec. 703. Report to Congress.
- Sec. 704. Definitions.

**TITLE VIII—RESTORING PROVEN FINANCING FOR AMERICAN EMPLOYERS ACT**

- Sec. 801. Rules of construction relating to collateralized loan obligations.

**TITLE IX—SBIC ADVISERS RELIEF ACT**

- Sec. 901. Advisers of SBICs and venture capital funds.
- Sec. 902. Advisers of SBICs and private funds.
- Sec. 903. Relationship to State law.

TITLE X—DISCLOSURE MODERNIZATION AND SIMPLIFICATION  
ACT

Sec. 1001. Summary page for form 10-K.

Sec. 1002. Improvement of regulation S-K.

Sec. 1003. Study on modernization and simplification of regulation S-K.

## TITLE XI—ENCOURAGING EMPLOYEE OWNERSHIP ACT

Sec. 1101. Increased threshold for disclosures relating to compensatory benefit plans.

1 **TITLE I—BUSINESS RISK MITI-**  
2 **GATION AND PRICE STA-**  
3 **BILIZATION ACT**

4 **SEC. 101. MARGIN REQUIREMENTS.**

5 (a) COMMODITY EXCHANGE ACT AMENDMENT.—

6 Section 4s(e) of the Commodity Exchange Act (7 U.S.C.

7 6s(e)), as added by section 731 of the Dodd-Frank Wall

8 Street Reform and Consumer Protection Act, is amended

9 by adding at the end the following new paragraph:

10 “(4) APPLICABILITY WITH RESPECT TO

11 COUNTERPARTIES.—The requirements of paragraphs

12 (2)(A)(ii) and (2)(B)(ii) shall not apply to a swap in

13 which a counterparty qualifies for an exception

14 under section 2(h)(7)(A) or satisfies the criteria in

15 section 2(h)(7)(D).”.

16 (b) SECURITIES EXCHANGE ACT AMENDMENT.—

17 Section 15F(e) of the Securities Exchange Act of 1934

18 (15 U.S.C. 78o-10(e)), as added by section 764(a) of the

19 Dodd-Frank Wall Street Reform and Consumer Protec-

1 tion Act, is amended by adding at the end the following  
2 new paragraph:

3 “(4) APPLICABILITY WITH RESPECT TO  
4 COUNTERPARTIES.—The requirements of paragraphs  
5 (2)(A)(ii) and (2)(B)(ii) shall not apply to a secu-  
6 rity-based swap in which a counterparty qualifies for  
7 an exception under section 3C(g)(1) or satisfies the  
8 criteria in section 3C(g)(4).”.

9 **SEC. 102. IMPLEMENTATION.**

10 The amendments made by this title to the Commodity  
11 Exchange Act shall be implemented—

12 (1) without regard to—

13 (A) chapter 35 of title 44, United States  
14 Code; and

15 (B) the notice and comment provisions of  
16 section 553 of title 5, United States Code;

17 (2) through the promulgation of an interim  
18 final rule, pursuant to which public comment will be  
19 sought before a final rule is issued; and

20 (3) such that paragraph (1) shall apply solely  
21 to changes to rules and regulations, or proposed  
22 rules and regulations, that are limited to and di-  
23 rectly a consequence of such amendments.

1           **TITLE II—TREATMENT OF**  
2           **AFFILIATE TRANSACTIONS**

3   **SEC. 201. TREATMENT OF AFFILIATE TRANSACTIONS.**

4           (a) IN GENERAL.—

5                   (1) COMMODITY EXCHANGE ACT AMEND-  
6           MENT.—Section 2(h)(7)(D)(i) of the Commodity Ex-  
7           change Act (7 U.S.C. 2(h)(7)(D)(i)) is amended to  
8           read as follows:

9                           “(i) IN GENERAL.—An affiliate of a  
10                           person that qualifies for an exception  
11                           under subparagraph (A) (including affiliate  
12                           entities predominantly engaged in pro-  
13                           viding financing for the purchase of the  
14                           merchandise or manufactured goods of the  
15                           person) may qualify for the exception only  
16                           if the affiliate enters into the swap to  
17                           hedge or mitigate the commercial risk of  
18                           the person or other affiliate of the person  
19                           that is not a financial entity, provided that  
20                           if the hedge or mitigation of such commer-  
21                           cial risk is addressed by entering into a  
22                           swap with a swap dealer or major swap  
23                           participant, an appropriate credit support  
24                           measure or other mechanism must be uti-  
25                           lized.”.

1           (2) SECURITIES EXCHANGE ACT OF 1934  
2           AMENDMENT.—Section 3C(g)(4)(A) of the Securities  
3           Exchange Act of 1934 (15 U.S.C. 78c–3(g)(4)(A))  
4           is amended to read as follows:

5                   “(A) IN GENERAL.—An affiliate of a per-  
6                   son that qualifies for an exception under para-  
7                   graph (1) (including affiliate entities predomi-  
8                   nantly engaged in providing financing for the  
9                   purchase of the merchandise or manufactured  
10                  goods of the person) may qualify for the excep-  
11                  tion only if the affiliate enters into the security-  
12                  based swap to hedge or mitigate the commercial  
13                  risk of the person or other affiliate of the per-  
14                  son that is not a financial entity, provided that  
15                  if the hedge or mitigation such commercial risk  
16                  is addressed by entering into a security-based  
17                  swap with a security-based swap dealer or  
18                  major security-based swap participant, an ap-  
19                  propriate credit support measure or other  
20                  mechanism must be utilized.”.

21           (b) APPLICABILITY OF CREDIT SUPPORT MEASURE  
22           REQUIREMENT.—The requirements in section  
23           2(h)(7)(D)(i) of the Commodity Exchange Act and section  
24           3C(g)(4)(A) of the Securities Exchange Act of 1934, as  
25           amended by subsection (a), requiring that a credit support

1 measure or other mechanism be utilized if the transfer of  
2 commercial risk referred to in such sections is addressed  
3 by entering into a swap with a swap dealer or major swap  
4 participant or a security-based swap with a security-based  
5 swap dealer or major security-based swap participant, as  
6 appropriate, shall not apply with respect to swaps or secu-  
7 rity-based swaps, as appropriate, entered into before the  
8 date of the enactment of this Act.

9 **TITLE III—HOLDING COMPANY**  
10 **REGISTRATION THRESHOLD**  
11 **EQUALIZATION ACT**

12 **SEC. 301. REGISTRATION THRESHOLD FOR SAVINGS AND**  
13 **LOAN HOLDING COMPANIES.**

14 The Securities Exchange Act of 1934 (15 U.S.C. 78a  
15 et seq.) is amended—

16 (1) in section 12(g)—

17 (A) in paragraph (1)(B), by inserting after  
18 “is a bank” the following: “, a savings and loan  
19 holding company (as defined in section 10 of  
20 the Home Owners’ Loan Act),”; and

21 (B) in paragraph (4), by inserting after  
22 “case of a bank” the following: “, a savings and  
23 loan holding company (as defined in section 10  
24 of the Home Owners’ Loan Act),”; and

1           (2) in section 15(d), by striking “case of bank”  
2           and inserting the following: “case of a bank, a sav-  
3           ings and loan holding company (as defined in section  
4           10 of the Home Owners’ Loan Act),”.

5 **TITLE IV—SMALL BUSINESS**  
6 **MERGERS, ACQUISITIONS,**  
7 **SALES, AND BROKERAGE SIM-**  
8 **PLIFICATION ACT**

9 **SEC. 401. REGISTRATION EXEMPTION FOR MERGER AND**  
10 **ACQUISITION BROKERS.**

11           Section 15(b) of the Securities Exchange Act of 1934  
12 (15 U.S.C. 78o(b)) is amended by adding at the end the  
13 following:

14           “(13) REGISTRATION EXEMPTION FOR MERGER  
15           AND ACQUISITION BROKERS.—

16           “(A) IN GENERAL.—Except as provided in  
17           subparagraph (B), an M&A broker and any per-  
18           son associated with an M&A broker shall be ex-  
19           empt from registration under this section.

20           “(B) EXCLUDED ACTIVITIES.—An M&A  
21           broker or a person associated with an M&A  
22           broker is not exempt from registration under  
23           this paragraph if such broker or associated per-  
24           son does any of the following:

1           “(i) Directly or indirectly, in connec-  
2           tion with the transfer of ownership of an  
3           eligible privately held company, receives,  
4           holds, transmits, or has custody of the  
5           funds or securities to be exchanged by the  
6           parties to the transaction.

7           “(ii) Engages on behalf of an issuer in  
8           a public offering of any class of securities  
9           that is registered, or is required to be reg-  
10          istered, with the Commission under section  
11          12 or with respect to which the issuer files,  
12          or is required to file, periodic information,  
13          documents, and reports under subsection  
14          (d).

15          “(C) RULE OF CONSTRUCTION.—Nothing  
16          in this paragraph shall be construed to limit  
17          any other authority of the Commission to ex-  
18          empt any person, or any class of persons, from  
19          any provision of this title, or from any provision  
20          of any rule or regulation thereunder.

21          “(D) DEFINITIONS.—In this paragraph:

22                 “(i) CONTROL.—The term ‘control’  
23                 means the power, directly or indirectly, to  
24                 direct the management or policies of a  
25                 company, whether through ownership of

1 securities, by contract, or otherwise. There  
2 is a presumption of control for any person  
3 who—

4 “(I) is a director, general part-  
5 ner, member or manager of a limited  
6 liability company, or officer exercising  
7 executive responsibility (or has similar  
8 status or functions);

9 “(II) has the right to vote 20  
10 percent or more of a class of voting  
11 securities or the power to sell or direct  
12 the sale of 20 percent or more of a  
13 class of voting securities; or

14 “(III) in the case of a partner-  
15 ship or limited liability company, has  
16 the right to receive upon dissolution,  
17 or has contributed, 20 percent or  
18 more of the capital.

19 “(ii) ELIGIBLE PRIVATELY HELD  
20 COMPANY.—The term ‘eligible privately  
21 held company’ means a company that  
22 meets both of the following conditions:

23 “(I) The company does not have  
24 any class of securities registered, or  
25 required to be registered, with the

1 Commission under section 12 or with  
2 respect to which the company files, or  
3 is required to file, periodic informa-  
4 tion, documents, and reports under  
5 subsection (d).

6 “(II) In the fiscal year ending  
7 immediately before the fiscal year in  
8 which the services of the M&A broker  
9 are initially engaged with respect to  
10 the securities transaction, the com-  
11 pany meets either or both of the fol-  
12 lowing conditions (determined in ac-  
13 cordance with the historical financial  
14 accounting records of the company):

15 “(aa) The earnings of the  
16 company before interest, taxes,  
17 depreciation, and amortization  
18 are less than \$25,000,000.

19 “(bb) The gross revenues of  
20 the company are less than  
21 \$250,000,000.

22 “(iii) M&A BROKER.—The term ‘M&A  
23 broker’ means a broker engaged in the  
24 business of effecting securities transactions  
25 solely in connection with the transfer of

1 ownership of an eligible privately held com-  
2 pany, regardless of whether the broker acts  
3 on behalf of a seller or buyer, through the  
4 purchase, sale, exchange, issuance, repur-  
5 chase, or redemption of, or a business com-  
6 bination involving, securities or assets of  
7 the eligible privately held company, if the  
8 broker reasonably believes that—

9 “(I) upon consummation of the  
10 transaction, any person acquiring se-  
11 curities or assets of the eligible pri-  
12 vately held company, acting alone or  
13 in concert, will control and, directly or  
14 indirectly, will be active in the man-  
15 agement of the eligible privately held  
16 company or the business conducted  
17 with the assets of the eligible privately  
18 held company; and

19 “(II) if any person is offered se-  
20 curities in exchange for securities or  
21 assets of the eligible privately held  
22 company, such person will, prior to  
23 becoming legally bound to consum-  
24 mate the transaction, receive or have  
25 reasonable access to the most recent

1 year-end balance sheet, income state-  
2 ment, statement of changes in finan-  
3 cial position, and statement of owner's  
4 equity of the issuer of the securities  
5 offered in exchange, and, if the finan-  
6 cial statements of the issuer are au-  
7 dited, the related report of the inde-  
8 pendent auditor, a balance sheet  
9 dated not more than 120 days before  
10 the date of the offer, and information  
11 pertaining to the management, busi-  
12 ness, results of operations for the pe-  
13 riod covered by the foregoing financial  
14 statements, and material loss contin-  
15 gencies of the issuer.

16 “(E) INFLATION ADJUSTMENT.—

17 “(i) IN GENERAL.—On the date that  
18 is 5 years after the date of the enactment  
19 of this paragraph, and every 5 years there-  
20 after, each dollar amount in subparagraph  
21 (D)(ii)(II) shall be adjusted by—

22 “(I) dividing the annual value of  
23 the Employment Cost Index For  
24 Wages and Salaries, Private Industry  
25 Workers (or any successor index), as

1 published by the Bureau of Labor  
2 Statistics, for the calendar year pre-  
3 ceding the calendar year in which the  
4 adjustment is being made by the an-  
5 nual value of such index (or suc-  
6 cessor) for the calendar year ending  
7 December 31, 2014; and

8 “(II) multiplying such dollar  
9 amount by the quotient obtained  
10 under subclause (I).

11 “(ii) ROUNDING.—Each dollar  
12 amount determined under clause (i) shall  
13 be rounded to the nearest multiple of  
14 \$100,000.”.

15 **SEC. 402. EFFECTIVE DATE.**

16 This title and any amendment made by this title shall  
17 take effect on the date that is 90 days after the date of  
18 the enactment of this Act.

1 **TITLE V—SWAP DATA REPOSI-**  
2 **TORY AND CLEARINGHOUSE**  
3 **INDEMNIFICATION CORREC-**  
4 **TIONS**

5 **SEC. 501. REPEAL OF INDEMNIFICATION REQUIREMENTS.**

6 (a) DERIVATIVES CLEARING ORGANIZATIONS.—Sec-  
7 tion 5b(k)(5) of the Commodity Exchange Act (7 U.S.C.  
8 7a–1(k)(5)) is amended to read as follows:

9 “(5) CONFIDENTIALITY AGREEMENT.—Before  
10 the Commission may share information with any en-  
11 tity described in paragraph (4), the Commission  
12 shall receive a written agreement from each entity  
13 stating that the entity shall abide by the confiden-  
14 tiality requirements described in section 8 relating to  
15 the information on swap transactions that is pro-  
16 vided.”.

17 (b) SWAP DATA REPOSITORIES.—Section 21(d) of  
18 the Commodity Exchange Act (7 U.S.C. 24a(d)) is amend-  
19 ed to read as follows:

20 “(d) CONFIDENTIALITY AGREEMENT.—Before the  
21 swap data repository may share information with any enti-  
22 ty described in subsection (c)(7), the swap data repository  
23 shall receive a written agreement from each entity stating  
24 that the entity shall abide by the confidentiality require-

1 ments described in section 8 relating to the information  
2 on swap transactions that is provided.”.

3 (c) SECURITY-BASED SWAP DATA REPOSITORIES.—  
4 Section 13(n)(5)(H) of the Securities Exchange Act of  
5 1934 (15 U.S.C. 78m(n)(5)(H)) is amended to read as  
6 follows:

7 “(H) CONFIDENTIALITY AGREEMENT.—  
8 Before the security-based swap data repository  
9 may share information with any entity de-  
10 scribed in subparagraph (G), the security-based  
11 swap data repository shall receive a written  
12 agreement from each entity stating that the en-  
13 tity shall abide by the confidentiality require-  
14 ments described in section 24 relating to the in-  
15 formation on security-based swap transactions  
16 that is provided.”.

17 (d) EFFECTIVE DATE.—The amendments made by  
18 this Act shall take effect as if enacted as part of the Dodd-  
19 Frank Wall Street Reform and Consumer Protection Act  
20 (Public Law 111–203) on July 21, 2010.

1 **TITLE VI—IMPROVING ACCESS**  
2 **TO CAPITAL FOR EMERGING**  
3 **GROWTH COMPANIES ACT**

4 **SEC. 601. FILING REQUIREMENT FOR PUBLIC FILING**  
5 **PRIOR TO PUBLIC OFFERING.**

6 Section 6(e)(1) of the Securities Act of 1933 (15  
7 U.S.C. 77f(e)(1)) is amended by striking “21 days” and  
8 inserting “15 days”.

9 **SEC. 602. GRACE PERIOD FOR CHANGE OF STATUS OF**  
10 **EMERGING GROWTH COMPANIES.**

11 Section 6(e)(1) of the Securities Act of 1933 (15  
12 U.S.C. 77f(e)(1)) is further amended by adding at the end  
13 the following: “An issuer that was an emerging growth  
14 company at the time it submitted a confidential registra-  
15 tion statement or, in lieu thereof, a publicly filed registra-  
16 tion statement for review under this subsection but ceases  
17 to be an emerging growth company thereafter shall con-  
18 tinue to be treated as an emerging market growth com-  
19 pany for the purposes of this subsection through the ear-  
20 lier of the date on which the issuer consummates its initial  
21 public offering pursuant to such registrations statement  
22 or the end of the 1-year period beginning on the date the  
23 company ceases to be an emerging growth company.”.

1 **SEC. 603. SIMPLIFIED DISCLOSURE REQUIREMENTS FOR**  
2 **EMERGING GROWTH COMPANIES.**

3 Section 102 of the Jumpstart Our Business Startups  
4 Act (Public Law 112–106) is amended by adding at the  
5 end the following:

6 “(d) SIMPLIFIED DISCLOSURE REQUIREMENTS.—  
7 With respect to an emerging growth company (as such  
8 term is defined under section 2 of the Securities Act of  
9 1933):

10 “(1) REQUIREMENT TO INCLUDE NOTICE ON  
11 FORM S–1.—Not later than 30 days after the date  
12 of enactment of this subsection, the Securities and  
13 Exchange Commission shall revise its general in-  
14 structions on Form S–1 to indicate that a registra-  
15 tion statement filed (or submitted for confidential  
16 review) by an issuer prior to an initial public offer-  
17 ing may omit financial information for historical pe-  
18 riods otherwise required by regulation S–X (17  
19 C.F.R. 210.1–01 et seq.) as of the time of filing (or  
20 confidential submission) of such registration state-  
21 ment, provided that—

22 “(A) the omitted financial information re-  
23 lates to a historical period that the issuer rea-  
24 sonably believes will not be required to be in-  
25 cluded in the Form S–1 at the time of the con-  
26 templated offering; and

1           “(B) prior to the issuer distributing a pre-  
2           liminary prospectus to investors, such registra-  
3           tion statement is amended to include all finan-  
4           cial information required by such regulation S-  
5           X at the date of such amendment.

6           “(2) RELIANCE BY ISSUERS.—Effective 30 days  
7           after the date of enactment of this subsection, an  
8           issuer filing a registration statement (or submitting  
9           the statement for confidential review) on Form S-  
10          1 may omit financial information for historical peri-  
11          ods otherwise required by regulation S-X (17 C.F.R.  
12          210.1-01 et seq.) as of the time of filing (or con-  
13          fidential submission) of such registration statement,  
14          provided that—

15                 “(A) the omitted financial information re-  
16                 lates to a historical period that the issuer rea-  
17                 sonably believes will not be required to be in-  
18                 cluded in the Form S-1 at the time of the con-  
19                 templated offering; and

20                 “(B) prior to the issuer distributing a pre-  
21                 liminary prospectus to investors, such registra-  
22                 tion statement is amended to include all finan-  
23                 cial information required by such regulation S-  
24                 X at the date of such amendment.”.

1 **TITLE VII—SMALL COMPANY**  
2 **DISCLOSURE SIMPLIFICA-**  
3 **TION ACT**

4 **SEC. 701. EXEMPTION FROM XBRL REQUIREMENTS FOR**  
5 **EMERGING GROWTH COMPANIES AND OTHER**  
6 **SMALLER COMPANIES.**

7 (a) EXEMPTION FOR EMERGING GROWTH COMPA-  
8 NIES.—Emerging growth companies are exempted from  
9 the requirements to use Extensible Business Reporting  
10 Language (XBRL) for financial statements and other  
11 periodic reporting required to be filed with the Commis-  
12 sion under the securities laws. Such companies may elect  
13 to use XBRL for such reporting.

14 (b) EXEMPTION FOR OTHER SMALLER COMPA-  
15 NIES.—Issuers with total annual gross revenues of less  
16 than \$250,000,000 are exempt from the requirements to  
17 use XBRL for financial statements and other periodic re-  
18 porting required to be filed with the Commission under  
19 the securities laws. Such issuers may elect to use XBRL  
20 for such reporting. An exemption under this subsection  
21 shall continue in effect until—

22 (1) the date that is five years after the date of  
23 enactment of this Act; or

24 (2) the date that is two years after a deter-  
25 mination by the Commission, by order after con-

1 ducting the analysis required by section 703, that  
2 the benefits of such requirements to such issuers  
3 outweigh the costs, but no earlier than three years  
4 after enactment of this Act.

5 (c) MODIFICATIONS TO REGULATIONS.—Not later  
6 than 60 days after the date of enactment of this Act, the  
7 Commission shall revise its regulations under parts 229,  
8 230, 232, 239, 240, and 249 of title 17, Code of Federal  
9 Regulations, to reflect the exemptions set forth in sub-  
10 sections (a) and (b).

11 **SEC. 702. ANALYSIS BY THE SEC.**

12 The Commission shall conduct an analysis of the  
13 costs and benefits to issuers described in section 701(b)  
14 of the requirements to use XBRL for financial statements  
15 and other periodic reporting required to be filed with the  
16 Commission under the securities laws. Such analysis shall  
17 include an assessment of—

18 (1) how such costs and benefits may differ from  
19 the costs and benefits identified by the Commission  
20 in the order relating to interactive data to improve  
21 financial reporting (dated January 30, 2009; 74  
22 Fed. Reg. 6776) because of the size of such issuers;

23 (2) the effects on efficiency, competition, capital  
24 formation, and financing and on analyst coverage of

1 such issuers (including any such effects resulting  
2 from use of XBRL by investors);

3 (3) the costs to such issuers of—

4 (A) submitting data to the Commission in  
5 XBRL;

6 (B) posting data on the website of the  
7 issuer in XBRL;

8 (C) software necessary to prepare, submit,  
9 or post data in XBRL; and

10 (D) any additional consulting services or  
11 filing agent services;

12 (4) the benefits to the Commission in terms of  
13 improved ability to monitor securities markets, as-  
14 sess the potential outcomes of regulatory alter-  
15 natives, and enhance investor participation in cor-  
16 porate governance and promote capital formation;  
17 and

18 (5) the effectiveness of standards in the United  
19 States for interactive filing data relative to the  
20 standards of international counterparts.

21 **SEC. 703. REPORT TO CONGRESS.**

22 Not later than one year after the date of enactment  
23 of this Act, the Commission shall provide the Committee  
24 on Financial Services of the House of Representatives and

1 the Committee on Banking, Housing, and Urban Affairs  
2 of the Senate a report regarding—

3 (1) the progress in implementing XBRL report-  
4 ing within the Commission;

5 (2) the use of XBRL data by Commission offi-  
6 cials;

7 (3) the use of XBRL data by investors;

8 (4) the results of the analysis required by sec-  
9 tion 702; and

10 (5) any additional information the Commission  
11 considers relevant for increasing transparency, de-  
12 creasing costs, and increasing efficiency of regu-  
13 latory filings with the Commission.

14 **SEC. 704. DEFINITIONS.**

15 As used in this title, the terms “Commission”,  
16 “emerging growth company”, “issuer”, and “securities  
17 laws” have the meanings given such terms in section 3  
18 of the Securities Exchange Act of 1934 (15 U.S.C. 78e).

1 **TITLE VIII—RESTORING PROVEN**  
2 **FINANCING FOR AMERICAN**  
3 **EMPLOYERS ACT**

4 **SEC. 801. RULES OF CONSTRUCTION RELATING TO**  
5 **COLLATERALIZED LOAN OBLIGATIONS.**

6 Section 13(g) of the Bank Holding Company Act of  
7 1956 (12 U.S.C. 1851(g)) is amended by adding at the  
8 end the following new paragraphs:

9 “(4) COLLATERALIZED LOAN OBLIGATIONS.—

10 “(A) INAPPLICABILITY TO CERTAIN  
11 COLLATERALIZED LOAN OBLIGATIONS.—Noth-  
12 ing in this section shall be construed to require  
13 the divestiture, prior to July 21, 2017, of any  
14 debt securities of collateralized loan obligations,  
15 if such debt securities were issued before Janu-  
16 ary 31, 2014.

17 “(B) OWNERSHIP INTEREST WITH RE-  
18 SPECT TO COLLATERALIZED LOAN OBLIGA-  
19 TIONS.—A banking entity shall not be consid-  
20 ered to have an ownership interest in a  
21 collateralized loan obligation because it ac-  
22 quires, has acquired, or retains a debt security  
23 in such collateralized loan obligation if the debt  
24 security has no indicia of ownership other than  
25 the right of the banking entity to participate in

1 the removal for cause, or in the selection of a  
2 replacement after removal for cause or resigna-  
3 tion, of an investment manager or investment  
4 adviser of the collateralized loan obligation.

5 “(C) DEFINITIONS.—For purposes of this  
6 paragraph:

7 “(i) COLLATERALIZED LOAN OBLIGA-  
8 TION.—The term ‘collateralized loan obli-  
9 gation’ means any issuing entity of an  
10 asset-backed security, as defined in section  
11 3(a)(77) of the Securities Exchange Act of  
12 1934 (15 U.S.C. 78c(a)(77)), that is com-  
13 prised primarily of commercial loans.

14 “(ii) REMOVAL FOR CAUSE.—An in-  
15 vestment manager or investment adviser  
16 shall be deemed to be removed ‘for cause’  
17 if the investment manager or investment  
18 adviser is removed as a result of—

19 “(I) a breach of a material term  
20 of the applicable management or advi-  
21 sory agreement or the agreement gov-  
22 erning the collateralized loan obliga-  
23 tion;

24 “(II) the inability of the invest-  
25 ment manager or investment adviser

1 to continue to perform its obligations  
2 under any such agreement;

3 “(III) any other action or inac-  
4 tion by the investment manager or in-  
5 vestment adviser that has or could  
6 reasonably be expected to have a ma-  
7 terially adverse effect on the  
8 collateralized loan obligation, if the in-  
9 vestment manager or investment ad-  
10 viser fails to cure or take reasonable  
11 steps to cure such effect within a rea-  
12 sonable time; or

13 “(IV) a comparable event or cir-  
14 cumstance that threatens, or could  
15 reasonably be expected to threaten,  
16 the interests of holders of the debt se-  
17 curities.”.

18 **TITLE IX—SBIC ADVISERS**  
19 **RELIEF ACT**

20 **SEC. 901. ADVISERS OF SBICS AND VENTURE CAPITAL**  
21 **FUNDS.**

22 Section 203(l) of the Investment Advisers Act of  
23 1940 (15 U.S.C. 80b–3(l)) is amended—

24 (1) by striking “No investment adviser” and in-  
25 serting the following:

1 “(1) IN GENERAL.—No investment adviser”;

2 and

3 (2) by adding at the end the following:

4 “(2) ADVISERS OF SBICS.—For purposes of this  
5 subsection, a venture capital fund includes an entity  
6 described in subparagraph (A), (B), or (C) of sub-  
7 section (b)(7) (other than an entity that has elected  
8 to be regulated or is regulated as a business develop-  
9 ment company pursuant to section 54 of the Invest-  
10 ment Company Act of 1940).”.

11 **SEC. 902. ADVISERS OF SBICS AND PRIVATE FUNDS.**

12 Section 203(m) of the Investment Advisers Act of  
13 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the  
14 end the following:

15 “(3) ADVISERS OF SBICS.—For purposes of this  
16 subsection, the assets under management of a pri-  
17 vate fund that is an entity described in subpara-  
18 graph (A), (B), or (C) of subsection (b)(7) (other  
19 than an entity that has elected to be regulated or is  
20 regulated as a business development company pursu-  
21 ant to section 54 of the Investment Company Act of  
22 1940) shall be excluded from the limit set forth in  
23 paragraph (1).”.

1 **SEC. 903. RELATIONSHIP TO STATE LAW.**

2 Section 203A(b)(1) of the Investment Advisers Act  
3 of 1940 (15 U.S.C. 80b-3a(b)(1)) is amended—

4 (1) in subparagraph (A), by striking “or” at  
5 the end;

6 (2) in subparagraph (B), by striking the period  
7 at the end and inserting “; or”; and

8 (3) by adding at the end the following:

9 “(C) that is not registered under section  
10 203 because that person is exempt from reg-  
11 istration as provided in subsection (b)(7) of  
12 such section, or is a supervised person of such  
13 person.”.

14 **TITLE X—DISCLOSURE MOD-**  
15 **ERNIZATION AND SIM-**  
16 **PLIFICATION ACT**

17 **SEC. 1001. SUMMARY PAGE FOR FORM 10-K.**

18 Not later than the end of the 180-day period begin-  
19 ning on the date of the enactment of this Act, the Securi-  
20 ties and Exchange Commission shall issue regulations to  
21 permit issuers to submit a summary page on form 10-  
22 K (17 C.F.R. 249.310), but only if each item on such  
23 summary page includes a cross-reference (by electronic  
24 link or otherwise) to the material contained in form 10-  
25 K to which such item relates.

1 **SEC. 1002. IMPROVEMENT OF REGULATION S-K.**

2 Not later than the end of the 180-day period begin-  
3 ning on the date of the enactment of this Act, the Securi-  
4 ties and Exchange Commission shall take all such actions  
5 to revise regulation S-K (17 C.F.R. 229.10 et seq.)—

6 (1) to further scale or eliminate requirements of  
7 regulation S-K, in order to reduce the burden on  
8 emerging growth companies, accelerated filers,  
9 smaller reporting companies, and other smaller  
10 issuers, while still providing all material information  
11 to investors;

12 (2) to eliminate provisions of regulation S-K,  
13 required for all issuers, that are duplicative, overlap-  
14 ping, outdated, or unnecessary; and

15 (3) for which the Commission determines that  
16 no further study under section 1003 is necessary to  
17 determine the efficacy of such revisions to regulation  
18 S-K.

19 **SEC. 1003. STUDY ON MODERNIZATION AND SIMPLIFICA-**  
20 **TION OF REGULATION S-K.**

21 (a) **STUDY.**—The Securities and Exchange Commis-  
22 sion shall carry out a study of the requirements contained  
23 in regulation S-K (17 C.F.R. 229.10 et seq.). Such study  
24 shall—

25 (1) determine how best to modernize and sim-  
26 plify such requirements in a manner that reduces

1 the costs and burdens on issuers while still providing  
2 all material information;

3 (2) emphasize a company by company approach  
4 that allows relevant and material information to be  
5 disseminated to investors without boilerplate lan-  
6 guage or static requirements while preserving com-  
7 pleteness and comparability of information across  
8 registrants; and

9 (3) evaluate methods of information delivery  
10 and presentation and explore methods for discour-  
11 aging repetition and the disclosure of immaterial in-  
12 formation.

13 (b) CONSULTATION.—In conducting the study re-  
14 quired under subsection (a), the Commission shall consult  
15 with the Investor Advisory Committee and the Advisory  
16 Committee on Small and Emerging Companies.

17 (c) REPORT.—Not later than the end of the 360-day  
18 period beginning on the date of enactment of this Act, the  
19 Commission shall issue a report to the Congress con-  
20 taining—

21 (1) all findings and determinations made in car-  
22 rying out the study required under subsection (a);

23 (2) specific and detailed recommendations on  
24 modernizing and simplifying the requirements in  
25 regulation S-K in a manner that reduces the costs

1 and burdens on companies while still providing all  
2 material information; and

3 (3) specific and detailed recommendations on  
4 ways to improve the readability and navigability of  
5 disclosure documents and to discourage repetition  
6 and the disclosure of immaterial information.

7 (d) RULEMAKING.—Not later than the end of the  
8 360-day period beginning on the date that the report is  
9 issued to the Congress under subsection (c), the Commis-  
10 sion shall issue a proposed rule to implement the rec-  
11 ommendations of the report issued under subsection (c).

12 (e) RULE OF CONSTRUCTION.—Revisions made to  
13 regulation S–K by the Commission under section 1002  
14 shall not be construed as satisfying the rulemaking re-  
15 quirements under this section.

## 16 **TITLE XI—ENCOURAGING** 17 **EMPLOYEE OWNERSHIP ACT**

### 18 **SEC. 1101. INCREASED THRESHOLD FOR DISCLOSURES RE-** 19 **LATING TO COMPENSATORY BENEFIT PLANS.**

20 Not later than 60 days after the date of the enact-  
21 ment of this Act, the Securities and Exchange Commission  
22 shall revise section 230.701(e) of title 17, Code of Federal  
23 Regulations, so as to increase from \$5,000,000 to  
24 \$10,000,000 the aggregate sales price or amount of secu-  
25 rities sold during any consecutive 12-month period in ex-

1 cess of which the issuer is required under such section to  
2 deliver an additional disclosure to investors. The Commis-  
3 sion shall index for inflation such aggregate sales price  
4 or amount every 5 years to reflect the change in the Con-  
5 sumer Price Index for All Urban Consumers published by  
6 the Bureau of Labor Statistics, rounding to the nearest  
7 \$1,000,000.