

## Union Calendar No.

114<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1965

[Report No. 114-]

To exempt smaller public companies from requirements relating to the use of Extensible Business Reporting Language for periodic reporting to the Securities and Exchange Commission, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2015

Mr. HURT of Virginia introduced the following bill; which was referred to the Committee on Financial Services

JUNE --, 2015

Committed to the Committee of the Whole House on the State of the Union,  
and ordered to be printed

# **A BILL**

To exempt smaller public companies from requirements relating to the use of Extensible Business Reporting Language for periodic reporting to the Securities and Exchange Commission, 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 “Small Company Dislo-  
5 sure Simplification Act”.

6 **SEC. 2. EXEMPTION FROM XBRL REQUIREMENTS FOR**  
7 **EMERGING GROWTH COMPANIES AND OTHER**  
8 **SMALLER COMPANIES.**

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

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

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

1           (2) the date that is two years after a deter-  
2           mination by the Commission, by order after con-  
3           ducting the analysis required by section 3, that the  
4           benefits of such requirements to such issuers out-  
5           weigh the costs, but no earlier than three years after  
6           enactment of this Act.

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

13          **SEC. 3. ANALYSIS BY THE SEC.**

14          The Commission shall conduct an analysis of the  
15          costs and benefits to issuers described in section 2(b) of  
16          the requirements to use XBRL for financial statements  
17          and other periodic reporting required to be filed with the  
18          Commission under the securities laws. Such analysis shall  
19          include an assessment of—

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

1           (2) the effects on efficiency, competition, capital  
2           formation, and financing and on analyst coverage of  
3           such issuers (including any such effects resulting  
4           from use of XBRL by investors);

5           (3) the costs to such issuers of—

6                 (A) submitting data to the Commission in  
7           XBRL;

8                 (B) posting data on the website of the  
9           issuer in XBRL;

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

12                (D) any additional consulting services or  
13           filing agent services;

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

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

23 **SEC. 4. REPORT TO CONGRESS.**

24           Not later than one year after the date of enactment  
25           of this Act, the Commission shall provide the Committee

1 on Financial Services of the House of Representatives and  
2 the Committee on Banking, Housing, and Urban Affairs  
3 of the Senate a report regarding—

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

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

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

9 (4) the results of the analysis required by sec-  
10 tion 3; and

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

15 **SEC. 5. DEFINITIONS.**

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