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.

IN THE HOUSE OF REPRESENTATIVES

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

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Promoting Job Creation and Reducing Small Business Burdens Act”.

January 6, 2015 (12:55 p.m.)
SEC. 2. TABLE OF CONTENTS.

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.

TITLE I—BUSINESS RISK MITIGATION AND PRICE STABILIZATION ACT

SEC. 101. MARGIN REQUIREMENTS.

(a) Commodity Exchange Act Amendment.—

Section 4s(e) of the Commodity Exchange Act (7 U.S.C. 6s(e)), as added by section 731 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new paragraph:

“(4) Applicability with respect to counterparties.—The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii), including the initial and variation margin requirements imposed by rules adopted pursuant to paragraphs (2)(A)(ii) and (2)(B)(ii), shall not apply to a swap in which a counterparty qualifies for an exception under section 2(h)(7)(A), or an exemption issued under section 2(h)(1)(A) for cooperative entities as defined in such exemption, or satisfies the criteria in section 2(h)(7)(D).”.
(b) **Securities Exchange Act Amendment.**—

Section 15F(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–10(e)), as added by section 764(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by adding at the end the following new paragraph:

“(4) **Applicability with respect to counterparties.**—The requirements of paragraphs (2)(A)(ii) and (2)(B)(ii) shall not apply to a security-based swap in which a counterparty qualifies for an exception under section 3C(g)(1) or satisfies the criteria in section 3C(g)(4).”.

**Sec. 102. Implementation.**

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

(1) without regard to—

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

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

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

(3) such that paragraph (1) shall apply solely to changes to rules and regulations, or proposed
rules and regulations, that are limited to and directly a consequence of such amendments.

TITLE II—TREATMENT OF AFFILIATE TRANSACTIONS

SEC. 201. TREATMENT OF AFFILIATE TRANSACTIONS.

(a) IN GENERAL.—

(1) Commodity Exchange Act Amendment.—Section 2(h)(7)(D)(i) of the Commodity Exchange Act (7 U.S.C. 2(h)(7)(D)(i)) is amended to read as follows:

“(i) In General.—An affiliate of a person that qualifies for an exception under subparagraph (A) (including affiliate entities predominantly engaged in providing financing for the purchase of the merchandise or manufactured goods of the person) may qualify for the exception only if the affiliate enters into the swap to hedge or mitigate the commercial risk of the person or other affiliate of the person that is not a financial entity, provided that if the hedge or mitigation of such commercial risk is addressed by entering into a swap with a swap dealer or major swap participant, an appropriate credit support
measure or other mechanism must be utilized.”.

(2) SECURITIES EXCHANGE ACT OF 1934

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

“(A) IN GENERAL.—An affiliate of a person that qualifies for an exception under paragraph (1) (including affiliate entities predominantly engaged in providing financing for the purchase of the merchandise or manufactured goods of the person) may qualify for the exception only if the affiliate enters into the security-based swap to hedge or mitigate the commercial risk of the person or other affiliate of the person that is not a financial entity, provided that if the hedge or mitigation such commercial risk is addressed by entering into a security-based swap with a security-based swap dealer or major security-based swap participant, an appropriate credit support measure or other mechanism must be utilized.”.

(b) APPLICABILITY OF CREDIT SUPPORT MEASURE REQUIREMENT.—The requirements in section 2(h)(7)(D)(i) of the Commodity Exchange Act and section
3C(g)(4)(A) of the Securities Exchange Act of 1934, as amended by subsection (a), requiring that a credit support measure or other mechanism be utilized if the transfer of commercial risk referred to in such sections is addressed by entering into a swap with a swap dealer or major swap participant or a security-based swap with a security-based swap dealer or major security-based swap participant, as appropriate, shall not apply with respect to swaps or security-based swaps, as appropriate, entered into before the date of the enactment of this Act.

TITLE III—HOLDING COMPANY REGISTRATION THRESHOLD EQUALIZATION ACT

SEC. 301. REGISTRATION THRESHOLD FOR SAVINGS AND LOAN HOLDING COMPANIES.


(1) in section 12(g)—

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

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

(2) in section 15(d), by striking ‘‘case of bank’’ and inserting the following: ‘‘case of a bank, a savings and loan holding company (as defined in section 10 of the Home Owners’ Loan Act),’’.

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

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

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

‘‘(13) Registration exemption for merger and acquisition brokers.—

‘‘(A) In general.—Except as provided in subparagraph (B), an M&A broker shall be exempt from registration under this section.

‘‘(B) Excluded activities.—An M&A broker is not exempt from registration under this paragraph if such broker does any of the following:

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January 6, 2015 (12:55 p.m.)
“(i) Directly or indirectly, in connection with the transfer of ownership of an eligible privately held company, receives, holds, transmits, or has custody of the funds or securities to be exchanged by the parties to the transaction.

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

“(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to limit any other authority of the Commission to exempt any person, or any class of persons, from any provision of this title, or from any provision of any rule or regulation thereunder.

“(D) DEFINITIONS.—In this paragraph:

“(i) CONTROL.—The term ‘control’ means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of
securities, by contract, or otherwise. There is a presumption of control for any person who—

“(I) is a director, general partner, member or manager of a limited liability company, or officer exercising executive responsibility (or has similar status or functions);

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

“(III) in the case of a partnership or limited liability company, has the right to receive upon dissolution, or has contributed, 20 percent or more of the capital.

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

“(I) The company does not have any class of securities registered, or required to be registered, with the
11 Commission under section 12 or with respect to which the company files, or is required to file, periodic information, documents, and reports under subsection (d).

“(II) In the fiscal year ending immediately before the fiscal year in which the services of the M&A broker are initially engaged with respect to the securities transaction, the company meets either or both of the following conditions (determined in accordance with the historical financial accounting records of the company):

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

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

“(iii) M&A BROKER.—The term ‘M&A broker’ means a broker, and any person associated with a broker, engaged in the business of effecting securities transactions
solely in connection with the transfer of
ownership of an eligible privately held com-
pany, regardless of whether the broker acts
on behalf of a seller or buyer, through the
purchase, sale, exchange, issuance, repur-
chase, or redemption of, or a business com-
bination involving, securities or assets of
the eligible privately held company, if the
broker reasonably believes that—

“(I) upon consummation of the
transaction, any person acquiring se-
curities or assets of the eligible pri-
vately held company, acting alone or
in concert, will control and, directly or
indirectly, will be active in the man-
age ment of the eligible privately held
company or the business conducted
with the assets of the eligible privately
held company; and

“(II) if any person is offered se-
curities in exchange for securities or
assets of the eligible privately held
company, such person will, prior to
becoming legally bound to consum-
mate the transaction, receive or have
reasonable access to the most recent year-end balance sheet, income statement, statement of changes in financial position, and statement of owner’s equity of the issuer of the securities offered in exchange, and, if the financial statements of the issuer are audited, the related report of the independent auditor, a balance sheet dated not more than 120 days before the date of the offer, and information pertaining to the management, business, results of operations for the period covered by the foregoing financial statements, and material loss contingencies of the issuer.

“(E) INFLATION ADJUSTMENT.—

“(i) In general.—On the date that is 5 years after the date of the enactment of this paragraph, and every 5 years thereafter, each dollar amount in subparagraph (D)(ii)(II) shall be adjusted by—

“(I) dividing the annual value of the Employment Cost Index For Wages and Salaries, Private Industry
Workers (or any successor index), as published by the Bureau of Labor Statistics, for the calendar year preceding the calendar year in which the adjustment is being made by the annual value of such index (or successor) for the calendar year ending December 31, 2014; and

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

“(ii) ROUNDED.—Each dollar amount determined under clause (i) shall be rounded to the nearest multiple of $100,000.”.

SEC. 402. EFFECTIVE DATE.

This Act and any amendment made by this Act shall take effect on the date that is 90 days after the date of the enactment of this Act.
TITLE V—SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTIONS

SEC. 501. REPEAL OF INDEMNIFICATION REQUIREMENTS.

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

“(5) CONFIDENTIALITY AGREEMENT.—Before the Commission may share information with any entity described in paragraph (4), the Commission shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided.”.

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

“(d) CONFIDENTIALITY AGREEMENT.—Before the swap data repository may share information with any entity described in subsection (e)(7), the swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality require-
ments described in section 8 relating to the information on swap transactions that is provided.”.

(c) Security-Based Swap Data Repositories.—

Section 13(n)(5)(H) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(n)(5)(H)) is amended to read as follows:

“(H) Confidentiality Agreement.—

Before the security-based swap data repository may share information with any entity described in subparagraph (G), the security-based swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 24 relating to the information on security-based swap transactions that is provided.”.

(d) Effective Date.—The amendments made by this Act shall take effect as if enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203) on July 21, 2010.
TITLE VI—IMPROVING ACCESS TO CAPITAL FOR EMERGING GROWTH COMPANIES ACT

SEC. 601. FILING REQUIREMENT FOR PUBLIC FILING PRIOR TO PUBLIC OFFERING.

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

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

Section 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1)) is further amended by adding at the end the following: “An issuer that was an emerging growth company at the time it submitted a confidential registration statement or, in lieu thereof, a publicly filed registration statement for review under this subsection but ceases to be an emerging growth company thereafter shall continue to be treated as an emerging market growth company for the purposes of this subsection through the earlier of the date on which the issuer consummates its initial public offering pursuant to such registrations statement or the end of the 1-year period beginning on the date the company ceases to be an emerging growth company.”.
SEC. 603. SIMPLIFIED DISCLOSURE REQUIREMENTS FOR
EMERGING GROWTH COMPANIES.

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

“(d) SIMPLIFIED DISCLOSURE REQUIREMENTS.—

With respect to an emerging growth company (as such
term is defined under section 2 of the Securities Act of
1933):

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

“(A) the omitted financial information re-
lates to a historical period that the issuer rea-
sonably believes will not be required to be in-
cluded in the Form S–1 at the time of the con-
templated offering; and
“(B) prior to the issuer distributing a preliminary prospectus to investors, such registration statement is amended to include all financial information required by such regulation S–X at the date of such amendment.

“(2) RELIANCE BY ISSUERS.—Effective 30 days after the date of enactment of this subsection, an issuer filing a registration statement (or submitting the statement for confidential review) on Form S–1 may omit financial information for historical periods otherwise required by regulation S–X (17 C.F.R. 210.1–01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

“(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S–1 at the time of the contemplated offering; and

“(B) prior to the issuer distributing a preliminary prospectus to investors, such registration statement is amended to include all financial information required by such regulation S–X at the date of such amendment.”.
TITLE VII—SMALL COMPANY DISCLOSURE SIMPLIFICATION ACT

SEC. 701. EXEMPTION FROM XBRL REQUIREMENTS FOR EMERGING GROWTH COMPANIES AND OTHER SMALLER COMPANIES.

(a) Exemption for Emerging Growth Companies.—Emerging growth companies are exempted from the requirements to use Extensible Business Reporting Language (XBRL) for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such companies may elect to use XBRL for such reporting.

(b) Exemption for Other Smaller Companies.—Issuers with total annual gross revenues of less than $250,000,000 are exempt from the requirements to use XBRL for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such issuers may elect to use XBRL for such reporting. An exemption under this subsection shall continue in effect until—

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

(2) the date that is two years after a determination by the Commission, by order after con-
ducting the analysis required by section 702, that the benefits of such requirements to such issuers outweigh the costs, but no earlier than three years after enactment of this Act.

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

SEC. 702. ANALYSIS BY THE SEC.

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

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

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

(3) the costs to such issuers of—

(A) submitting data to the Commission in XBRL;

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

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

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

(4) the benefits to the Commission in terms of improved ability to monitor securities markets, assess the potential outcomes of regulatory alternatives, and enhance investor participation in corporate governance and promote capital formation; and

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

SEC. 703. REPORT TO CONGRESS.

Not later than one year after the date of enactment of this Act, the Commission shall provide the Committee on Financial Services of the House of Representatives and
the Committee on Banking, Housing, and Urban Affairs
of the Senate a report regarding—

(1) the progress in implementing XBRL reporting
within the Commission;

(2) the use of XBRL data by Commission offici-
sals;

(3) the use of XBRL data by investors;

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

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

SEC. 704. DEFINITIONS.

As used in this title, the terms “Commission”,
“emerging growth company”, “issuer”, and “securities
laws” have the meanings given such terms in section 3

TITLE VIII—RESTORING PROVEN
FINANCING FOR AMERICAN
EMPLOYERS ACT

SEC. 801. RULES OF CONSTRUCTION RELATING TO
COLLATERALIZED LOAN OBLIGATIONS.

Section 13(c)(2) of the Bank Holding Company Act
of 1956 (12 U.S.C. 1851(c)(2)) is amended—
(1) by striking “A banking entity or nonbank financial company supervised by the Board” and inserting the following:

“(A) GENERAL CONFORMANCE PERIOD.—A banking entity or nonbank financial company supervised by the Board”; and

(2) by adding at the end the following:

“(B) CONFORMANCE PERIOD FOR CERTAIN COLLATERALIZED LOAN OBLIGATIONS.—

“(i) IN GENERAL.—Notwithstanding subparagraph (A), a banking entity or nonbank financial company supervised by the Board shall bring its activities related to or investments in a debt security of a collateralized loan obligation issued before January 31, 2014, into compliance with the requirements of subsection (a)(1)(B) and any applicable rules relating to subsection (a)(1)(B) not later than July 21, 2019.

“(ii) COLLATERALIZED LOAN OBLIGATION.—For purposes of this subparagraph, the term ‘collateralized loan obligation’ means any issuing entity of an asset-backed security, as defined in section
3(a)(77) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(77)), that is comprised primarily of commercial loans.”.

TITLE IX—SBIC ADVISERS RELIEF ACT

SEC. 901. ADVISERS OF SBICS AND VENTURE CAPITAL FUNDS.

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

(1) by striking “No investment adviser” and inserting the following:

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

(2) by adding at the end the following:

“(2) ADVISERS OF SBICS.—For purposes of this subsection, a venture capital fund includes an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940).”.

SEC. 902. ADVISERS OF SBICS AND PRIVATE FUNDS.

Section 203(m) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the end the following:
“(3) ADVISERS OF SBICS.—For purposes of this subsection, the assets under management of a private fund that is an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940) shall be excluded from the limit set forth in paragraph (1).”.

SEC. 903. RELATIONSHIP TO STATE LAW.

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

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

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

(3) by adding at the end the following:

“(C) that is not registered under section 203 because that person is exempt from registration as provided in subsection (b)(7) of such section, or is a supervised person of such person.”.
TITLE X—DISCLOSURE MODERNIZATION AND SIMPLIFICATION ACT

SEC. 1001. SUMMARY PAGE FOR FORM 10-K.
Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall issue regulations to permit issuers to submit a summary page on form 10-K (17 C.F.R. 249.310), but only if each item on such summary page includes a cross-reference (by electronic link or otherwise) to the material contained in form 10-K to which such item relates.

SEC. 1002. IMPROVEMENT OF REGULATION S-K.
Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall take all such actions to revise regulation S-K (17 C.F.R. 229.10 et seq.)—

(1) to further scale or eliminate requirements of regulation S-K, in order to reduce the burden on emerging growth companies, accelerated filers, smaller reporting companies, and other smaller issuers, while still providing all material information to investors;
(2) to eliminate provisions of regulation S–K, required for all issuers, that are duplicative, overlapping, outdated, or unnecessary; and

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

SEC. 1003. STUDY ON MODERNIZATION AND SIMPLIFICATION OF REGULATION S–K.

(a) STUDY.—The Securities and Exchange Commission shall carry out a study of the requirements contained in regulation S–K (17 C.F.R. 229.10 et seq.). Such study shall—

(1) determine how best to modernize and simplify such requirements in a manner that reduces the costs and burdens on issuers while still providing all material information;

(2) emphasize a company by company approach that allows relevant and material information to be disseminated to investors without boilerplate language or static requirements while preserving completeness and comparability of information across registrants; and

(3) evaluate methods of information delivery and presentation and explore methods for discour-
aging repetition and the disclosure of immaterial information.

(b) CONSULTATION.—In conducting the study required under subsection (a), the Commission shall consult with the Investor Advisory Committee and the Advisory Committee on Small and Emerging Companies.

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

   (1) all findings and determinations made in carrying out the study required under subsection (a);

   (2) specific and detailed recommendations on modernizing and simplifying the requirements in regulation S–K in a manner that reduces the costs and burdens on companies while still providing all material information; and

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

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

(e) Rule of Construction.—Revisions made to
regulation S–K by the Commission under section 1002
shall not be construed as satisfying the rulemaking re-
quirements under this section.

TITLE XI—ENCOURAGING
EMPLOYEE OWNERSHIP ACT

SEC. 1101. INCREASED THRESHOLD FOR DISCLOSURES RE-
LATING TO COMPENSATORY BENEFIT PLANS.

Not later than 60 days after the date of the enact-
ment of this Act, the Securities and Exchange Commission
shall revise section 230.701(e) of title 17, Code of Federal
Regulations, so as to increase from $5,000,000 to
$10,000,000 the aggregate sales price or amount of secu-
rities sold during any consecutive 12-month period in ex-
cess of which the issuer is required under such section to
deliver an additional disclosure to investors. The Commis-
sion shall index for inflation such aggregate sales price
or amount every 5 years to reflect the change in the Con-
sumer Price Index for All Urban Consumers published by
the Bureau of Labor Statistics, rounding to the nearest
$1,000,000.