

Union Calendar No.

115TH CONGRESS
2^D SESSION

H. R. 5970

[Report No. 115-]

To require the Securities and Exchange Commission to implement rules
simplifying the quarterly financial reporting regime.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2018

Mrs. WAGNER introduced the following bill; which was referred to the
Committee on Financial Services

JUNE --, 2018

Reported with amendments, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 24, 2018]

A BILL

To require the Securities and Exchange Commission to implement rules simplifying the quarterly financial reporting regime.

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 “Modernizing Disclosures*
5 *for Investors Act”.*

6 **SEC. 2. FORM 10-Q ANALYSIS.**

7 *(a) IN GENERAL.—The Securities and Exchange Com-*
8 *mission shall conduct an analysis of the costs and benefits*
9 *of requiring reporting companies to use Form 10-Q for sub-*
10 *mitting quarterly financial reports. Such analysis shall*
11 *consider—*

12 *(1) the costs and benefits of Form 10-Q to emerg-*
13 *ing growth companies;*

14 *(2) the costs and benefits of Form 10-Q to the*
15 *Commission in terms of its ability to protect inves-*
16 *tors, maintain fair, orderly, and efficient markets,*
17 *and facilitate capital formation;*

18 *(3) the costs and benefits of Form 10-Q to other*
19 *reporting companies, investors, market researchers,*
20 *and other market participants, including the costs*
21 *and benefits associated with—*

22 *(A) the public availability of the informa-*
23 *tion required to be filed on Form 10-Q;*

1 (B) the use of a standardized reporting for-
2 mat across all classes of reporting companies;
3 and

4 (C) the quarterly disclosure by some compa-
5 nies of financial information in formats other
6 than Form 10-Q, such as a quarterly earnings
7 press release;

8 (4) the costs and benefits of alternative formats
9 for quarterly reporting for emerging growth compa-
10 nies to emerging growth companies, the Commission,
11 other reporting companies, investors, market research-
12 ers, and other market participants; and

13 (5) the expected impact of the use of alternative
14 formats of quarterly reporting by emerging growth
15 companies on overall market transparency and effi-
16 ciency.

17 (b) *REPORT REQUIRED.*—Not later than 180 days
18 after the date of enactment of this Act, the Commission shall
19 issue a report to Congress that includes—

20 (1) the results of the analysis required by sub-
21 section (a); and

22 (2) recommendations for decreasing costs, in-
23 creasing transparency, and increasing efficiency of
24 quarterly financial reporting by emerging growth
25 companies.

Amend the title so as to read: “A bill to require the Securities and Exchange Commission to carry out a cost benefit analysis of the use of Form 10-Q and for other purposes.”.