

116TH CONGRESS
1ST SESSION

H. R. 5084

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2019

Mr. MEEKS (for himself and Mrs. CAROLYN B. MALONEY of New York) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity 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 “Improving Corporate
5 Governance Through Diversity Act of 2019”.

1 **SEC. 2. SUBMISSION OF DATA RELATING TO DIVERSITY BY**
2 **ISSUERS.**

3 Section 13 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78m) is amended by adding at the end the
5 following:

6 “(s) SUBMISSION OF DATA RELATING TO DIVER-
7 SITY.—

8 “(1) DEFINITIONS.—In this subsection—

9 “(A) the term ‘executive officer’ has the
10 meaning given the term in section 230.501(f) of
11 title 17, Code of Federal Regulations, as in ef-
12 fect on the date of enactment of this subsection;
13 and

14 “(B) the term ‘veteran’ has the meaning
15 given the term in section 101 of title 38, United
16 States Code.

17 “(2) SUBMISSION OF DISCLOSURE.—Each
18 issuer required to file an annual report under sub-
19 section (a) shall disclose in any proxy statement and
20 any information statement relating to the election of
21 directors filed with the Commission the following:

22 “(A) Data, based on voluntary self-identi-
23 fication, on the racial, ethnic, and gender com-
24 position of—

25 “(i) the board of directors of the
26 issuer;

1 “(ii) nominees for the board of direc-
2 tors of the issuer; and

3 “(iii) the executive officers of the
4 issuer.

5 “(B) The status of any member of the
6 board of directors of the issuer, any nominee
7 for the board of directors of the issuer, or any
8 executive officer of the issuer, based on vol-
9 untary self-identification, as a veteran.

10 “(C) Whether the board of directors of the
11 issuer, or any committee of that board of direc-
12 tors, has, as of the date on which the issuer
13 makes a disclosure under this paragraph,
14 adopted any policy, plan, or strategy to promote
15 racial, ethnic, and gender diversity among—

16 “(i) the board of directors of the
17 issuer;

18 “(ii) nominees for the board of direc-
19 tors of the issuer; or

20 “(iii) the executive officers of the
21 issuer.

22 “(3) ALTERNATIVE SUBMISSION.—In any 1-
23 year period in which an issuer required to file an an-
24 nual report under subsection (a) does not file with
25 the Commission a proxy statement relating to the

1 election of directors or an information statement, the
2 issuer shall disclose the information required under
3 paragraph (2) in the first annual report of issuer
4 that the issuer submits to the Commission after the
5 end of that 1-year period.

6 “(4) ANNUAL REPORT.—Not later than 18
7 months after the date of the enactment of this sub-
8 section, and annually thereafter, the Commission
9 shall submit to the Committee on Financial Services
10 of the House of Representatives and to the Com-
11 mittee on Banking, Housing, and Urban Affairs of
12 the Senate and publish on the website of the Com-
13 mission a report that analyzes the information dis-
14 closed pursuant to paragraphs (1), (2), and (3) and
15 identifies any trends in such information.

16 “(5) BEST PRACTICES.—

17 “(A) IN GENERAL.—The Director of the
18 Office of Minority and Women Inclusion of the
19 Commission shall, not later than the end of the
20 3-year period beginning on the date of the en-
21 actment of this subsection and every three
22 years thereafter, publish best practices for com-
23 pliance with this subsection.

24 “(B) COMMENTS.—The Director of the Of-
25 fice of Minority and Women Inclusion of the

1 Commission may, pursuant to subchapter II of
2 chapter 5 of title 5, United States Code, solicit
3 public comments related to the best practices
4 published under subparagraph (A).”.

5 **SEC. 3. DIVERSITY ADVISORY GROUP.**

6 (a) ESTABLISHMENT.—The Securities and Exchange
7 Commission shall establish a Diversity Advisory Group
8 (the “Advisory Group”), which shall be composed of rep-
9 resentatives from the government, academia, and the pri-
10 vate sector.

11 (b) STUDY AND RECOMMENDATIONS.—The Advisory
12 Group shall—

13 (1) carry out a study that identifies strategies
14 that can be used to increase gender, racial, and eth-
15 nic diversity among members of boards of directors
16 of issuers; and

17 (2) not later than 9 months after the establish-
18 ment of the Advisory Group, submit a report to the
19 Commission, the Committee on Financial Services of
20 the House of Representatives, and the Committee on
21 Banking, Housing, and Urban Affairs of the Senate
22 that—

23 (A) describes any findings from the study
24 conducted pursuant to paragraph (1); and

1 (B) makes recommendations of strategies
2 that issuers could use to increase gender, racial,
3 and ethnic diversity among board members.

4 (c) ANNUAL REPORT.—Not later than 1 year fol-
5 lowing the submission of a report pursuant to subsection
6 (b), and annually thereafter, the Commission shall submit
7 a report to the Committee on Financial Services of the
8 House of Representatives and the Committee on Banking,
9 Housing, and Urban Affairs of the Senate that describes
10 the status of gender, racial, and ethnic diversity among
11 members of the board of directors of issuers.

12 (d) PUBLIC AVAILABILITY OF REPORTS.—The Com-
13 mission shall make all reports of the Advisory Group avail-
14 able to issuers and the public, including on the website
15 of the Commission.

16 (e) DEFINITIONS.—For the purposes of this section:

17 (1) ISSUER.—The term “issuer” has the mean-
18 ing given the term in section 3 of the Securities Ex-
19 change Act of 1934.

20 (2) COMMISSION.—The term “Commission”
21 means the Securities and Exchange Commission.

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