

114TH CONGRESS
1ST SESSION

H. R. 1965

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.

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

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 Disclo-
5 sure Simplification Act”.

1 **SEC. 2. EXEMPTION FROM XBRL REQUIREMENTS FOR**
2 **EMERGING GROWTH COMPANIES AND OTHER**
3 **SMALLER COMPANIES.**

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

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

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

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

1 (c) MODIFICATIONS TO REGULATIONS.—Not later
2 than 60 days after the date of enactment of this Act, the
3 Commission shall revise its regulations under parts 229,
4 230, 232, 239, 240, and 249 of title 17, Code of Federal
5 Regulations, to reflect the exemptions set forth in sub-
6 sections (a) and (b).

7 **SEC. 3. ANALYSIS BY THE SEC.**

8 The Commission shall conduct an analysis of the
9 costs and benefits to issuers described in section 2(b) of
10 the requirements to use XBRL for financial statements
11 and other periodic reporting required to be filed with the
12 Commission under the securities laws. Such analysis shall
13 include an assessment of—

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

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

23 (3) the costs to such issuers of—

24 (A) submitting data to the Commission in
25 XBRL;

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

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

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

7 (4) the benefits to the Commission in terms of
8 improved ability to monitor securities markets, as-
9 sess the potential outcomes of regulatory alter-
10 natives, and enhance investor participation in cor-
11 porate governance and promote capital formation;
12 and

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

16 **SEC. 4. REPORT TO CONGRESS.**

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

22 (1) the progress in implementing XBRL report-
23 ing within the Commission;

24 (2) the use of XBRL data by Commission offi-
25 cials;

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

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

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

8 **SEC. 5. DEFINITIONS.**

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

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