

115TH CONGRESS
2D SESSION

H. R. 5970

IN THE SENATE OF THE UNITED STATES

JULY 11, 2018

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Modernizing Dislo-
3 sures for Investors Act”.

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

5 (a) IN GENERAL.—The Securities and Exchange
6 Commission shall conduct an analysis of the costs and
7 benefits of requiring reporting companies to use Form 10-
8 Q for submitting quarterly financial reports. Such analysis
9 shall consider—

10 (1) the costs and benefits of Form 10-Q to
11 emerging growth companies;

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

16 (3) the costs and benefits of Form 10-Q to
17 other reporting companies, investors, market re-
18 searchers, and other market participants, including
19 the costs and benefits associated with—

20 (A) the public availability of the informa-
21 tion required to be filed on Form 10-Q;

22 (B) the use of a standardized reporting
23 format across all classes of reporting compa-
24 nies; and

25 (C) the quarterly disclosure by some com-
26 panies of financial information in formats other

1 than Form 10-Q, such as a quarterly earnings
2 press release;

3 (4) the costs and benefits of alternative formats
4 for quarterly reporting for emerging growth compa-
5 nies to emerging growth companies, the Commission,
6 other reporting companies, investors, market re-
7 searchers, and other market participants; and

8 (5) the expected impact of the use of alternative
9 formats of quarterly reporting by emerging growth
10 companies on overall market transparency and effi-
11 ciency.

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

15 (1) the results of the analysis required by sub-
16 section (a); and

17 (2) recommendations for decreasing costs, in-
18 creasing transparency, and increasing efficiency of
19 quarterly financial reporting by emerging growth
20 companies.

Passed the House of Representatives July 10, 2018.

Attest:

KAREN L. HAAS,

Clerk.