

114TH CONGRESS
1ST SESSION

H. R. 1912

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 21, 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 the later of—

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

21 (2) a determination by the Commission, by
22 order after conducting the analysis required by sec-
23 tion 3, that the benefits of such requirements to
24 such issuers outweigh the costs.

25 (c) MODIFICATIONS TO REGULATIONS.—Not later
26 than 60 days after the date of enactment of this Act, the

1 Commission shall revise its regulations under parts 229,
2 230, 232, 239, 240, and 249 of title 17, Code of Federal
3 Regulations, to reflect the exemptions set forth in sub-
4 sections (a) and (b).

5 **SEC. 3. ANALYSIS BY THE SEC.**

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

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

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

21 (3) the costs to such issuers of—

22 (A) submitting data to the Commission in
23 XBRL;

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

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

3 (D) any additional consulting services or
4 filing agent services.

5 **SEC. 4. REPORT TO CONGRESS.**

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

11 (1) the progress in implementing XBRL report-
12 ing within the Commission;

13 (2) the use of XBRL data by Commission offi-
14 cials;

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

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

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

22 **SEC. 5. DEFINITIONS.**

23 As used in this Act, the terms “Commission”,
24 “emerging growth company”, “issuer”, and “securities

1 laws” have the meanings given such terms in section 3
2 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

○