

114TH CONGRESS
1ST SESSION

H. R. 37

IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2015

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

AN ACT

To make technical corrections to the Dodd-Frank Wall Street Reform and Consumer Protection Act, to enhance the ability of small and emerging growth companies to access capital through public and private markets, to reduce regulatory burdens, 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 “Promoting Job Cre-
3 ation and Reducing Small Business Burdens Act”.

4 SEC. 2. TABLE OF CONTENTS.

5 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

**TITLE I—BUSINESS RISK MITIGATION AND PRICE STABILIZATION
ACT**

Sec. 101. Margin requirements.

Sec. 102. Implementation.

TITLE II—TREATMENT OF AFFILIATE TRANSACTIONS

Sec. 201. Treatment of affiliate transactions.

**TITLE III—HOLDING COMPANY REGISTRATION THRESHOLD
EQUALIZATION ACT**

Sec. 301. Registration threshold for savings and loan holding companies.

**TITLE IV—SMALL BUSINESS MERGERS, ACQUISITIONS, SALES,
AND BROKERAGE SIMPLIFICATION ACT**

Sec. 401. Registration exemption for merger and acquisition brokers.

Sec. 402. Effective date.

**TITLE V—SWAP DATA REPOSITORY AND CLEARINGHOUSE
INDEMNIFICATION CORRECTIONS**

Sec. 501. Repeal of indemnification requirements.

**TITLE VI—IMPROVING ACCESS TO CAPITAL FOR EMERGING
GROWTH COMPANIES ACT**

Sec. 601. Filing requirement for public filing prior to public offering.

Sec. 602. Grace period for change of status of emerging growth companies.

Sec. 603. Simplified disclosure requirements for emerging growth companies.

TITLE VII—SMALL COMPANY DISCLOSURE SIMPLIFICATION ACT

Sec. 701. Exemption from XBRL requirements for emerging growth companies
and other smaller companies.

Sec. 702. Analysis by the SEC.

Sec. 703. Report to Congress.

Sec. 704. Definitions.

**TITLE VIII—RESTORING PROVEN FINANCING FOR AMERICAN
EMPLOYERS ACT**

Sec. 801. Rules of construction relating to collateralized loan obligations.

TITLE IX—SBIC ADVISERS RELIEF ACT

Sec. 901. Advisers of SBICs and venture capital funds.
 Sec. 902. Advisers of SBICs and private funds.
 Sec. 903. Relationship to State law.

TITLE X—DISCLOSURE MODERNIZATION AND SIMPLIFICATION
ACT

Sec. 1001. Summary page for form 10-K.
 Sec. 1002. Improvement of regulation S-K.
 Sec. 1003. Study on modernization and simplification of regulation S-K.

TITLE XI—ENCOURAGING EMPLOYEE OWNERSHIP ACT

Sec. 1101. Increased threshold for disclosures relating to compensatory benefit plans.

1 **TITLE I—BUSINESS RISK MITI-**
 2 **GATION AND PRICE STA-**
 3 **BILIZATION ACT**

4 **SEC. 101. MARGIN REQUIREMENTS.**

5 (a) COMMODITY EXCHANGE ACT AMENDMENT.—
 6 Section 4s(e) of the Commodity Exchange Act (7 U.S.C.
 7 6s(e)), as added by section 731 of the Dodd-Frank Wall
 8 Street Reform and Consumer Protection Act, is amended
 9 by adding at the end the following new paragraph:

10 “(4) APPLICABILITY WITH RESPECT TO
 11 COUNTERPARTIES.—The requirements of paragraphs
 12 (2)(A)(ii) and (2)(B)(ii), including the initial and
 13 variation margin requirements imposed by rules
 14 adopted pursuant to paragraphs (2)(A)(ii) and
 15 (2)(B)(ii), shall not apply to a swap in which a
 16 counterparty qualifies for an exception under section
 17 2(h)(7)(A), or an exemption issued under section
 18 4(c)(1) from the requirements of section 2(h)(1)(A)

1 for cooperative entities as defined in such exemption,
 2 or satisfies the criteria in section 2(h)(7)(D).”.

3 (b) SECURITIES EXCHANGE ACT AMENDMENT.—
 4 Section 15F(e) of the Securities Exchange Act of 1934
 5 (15 U.S.C. 78o–10(e)), as added by section 764(a) of the
 6 Dodd-Frank Wall Street Reform and Consumer Protec-
 7 tion Act, is amended by adding at the end the following
 8 new paragraph:

9 “(4) APPLICABILITY WITH RESPECT TO
 10 COUNTERPARTIES.—The requirements of paragraphs
 11 (2)(A)(ii) and (2)(B)(ii) shall not apply to a secu-
 12 rity-based swap in which a counterparty qualifies for
 13 an exception under section 3C(g)(1) or satisfies the
 14 criteria in section 3C(g)(4).”.

15 **SEC. 102. IMPLEMENTATION.**

16 The amendments made by this title to the Commodity
 17 Exchange Act shall be implemented—

18 (1) without regard to—

19 (A) chapter 35 of title 44, United States
 20 Code; and

21 (B) the notice and comment provisions of
 22 section 553 of title 5, United States Code;

23 (2) through the promulgation of an interim
 24 final rule, pursuant to which public comment will be
 25 sought before a final rule is issued; and

(3) such that paragraph (1) shall apply solely to changes to rules and regulations, or proposed rules and regulations, that are limited to and directly a consequence of such amendments.

TITLE II—TREATMENT OF AFFILIATE TRANSACTIONS

SEC. 201. TREATMENT OF AFFILIATE TRANSACTIONS.

(a) IN GENERAL.—

(1) COMMODITY EXCHANGE ACT AMENDMENT.—Section 2(h)(7)(D)(i) of the Commodity Exchange Act (7 U.S.C. 2(h)(7)(D)(i)) is amended to read as follows:

“(i) IN GENERAL.—An affiliate of a person that qualifies for an exception under subparagraph (A) (including affiliate entities predominantly engaged in providing financing for the purchase of the merchandise or manufactured goods of the person) may qualify for the exception only if the affiliate enters into the swap to hedge or mitigate the commercial risk of the person or other affiliate of the person that is not a financial entity, provided that if the hedge or mitigation of such commercial risk is addressed by entering into a

1 swap with a swap dealer or major swap
2 participant, an appropriate credit support
3 measure or other mechanism must be uti-
4 lized.”.

5 (2) SECURITIES EXCHANGE ACT OF 1934
6 AMENDMENT.—Section 3C(g)(4)(A) of the Securities
7 Exchange Act of 1934 (15 U.S.C. 78c–3(g)(4)(A))
8 is amended to read as follows:

9 “(A) IN GENERAL.—An affiliate of a per-
10 son that qualifies for an exception under para-
11 graph (1) (including affiliate entities predomi-
12 nantly engaged in providing financing for the
13 purchase of the merchandise or manufactured
14 goods of the person) may qualify for the excep-
15 tion only if the affiliate enters into the security-
16 based swap to hedge or mitigate the commercial
17 risk of the person or other affiliate of the per-
18 son that is not a financial entity, provided that
19 if the hedge or mitigation such commercial risk
20 is addressed by entering into a security-based
21 swap with a security-based swap dealer or
22 major security-based swap participant, an ap-
23 propriate credit support measure or other
24 mechanism must be utilized.”.

1 (b) APPLICABILITY OF CREDIT SUPPORT MEASURE
 2 REQUIREMENT.—The requirements in section
 3 2(h)(7)(D)(i) of the Commodity Exchange Act and section
 4 3C(g)(4)(A) of the Securities Exchange Act of 1934, as
 5 amended by subsection (a), requiring that a credit support
 6 measure or other mechanism be utilized if the transfer of
 7 commercial risk referred to in such sections is addressed
 8 by entering into a swap with a swap dealer or major swap
 9 participant or a security-based swap with a security-based
 10 swap dealer or major security-based swap participant, as
 11 appropriate, shall not apply with respect to swaps or secu-
 12 rity-based swaps, as appropriate, entered into before the
 13 date of the enactment of this Act.

14 **TITLE III—HOLDING COMPANY**
 15 **REGISTRATION THRESHOLD**
 16 **EQUALIZATION ACT**

17 **SEC. 301. REGISTRATION THRESHOLD FOR SAVINGS AND**
 18 **LOAN HOLDING COMPANIES.**

19 The Securities Exchange Act of 1934 (15 U.S.C. 78a
 20 et seq.) is amended—

21 (1) in section 12(g)—

22 (A) in paragraph (1)(B), by inserting after
 23 “is a bank” the following: “, a savings and loan
 24 holding company (as defined in section 10 of
 25 the Home Owners’ Loan Act),”; and

1 (B) in paragraph (4), by inserting after
 2 “case of a bank” the following: “, a savings and
 3 loan holding company (as defined in section 10
 4 of the Home Owners’ Loan Act),”; and
 5 (2) in section 15(d), by striking “case of bank”
 6 and inserting the following: “case of a bank, a sav-
 7 ings and loan holding company (as defined in section
 8 10 of the Home Owners’ Loan Act),”.

9 **TITLE IV—SMALL BUSINESS**
 10 **MERGERS, ACQUISITIONS,**
 11 **SALES, AND BROKERAGE SIM-**
 12 **PLIFICATION ACT**

13 **SEC. 401. REGISTRATION EXEMPTION FOR MERGER AND**
 14 **ACQUISITION BROKERS.**

15 Section 15(b) of the Securities Exchange Act of 1934
 16 (15 U.S.C. 78o(b)) is amended by adding at the end the
 17 following:

18 “(13) REGISTRATION EXEMPTION FOR MERGER
 19 AND ACQUISITION BROKERS.—

20 “(A) IN GENERAL.—Except as provided in
 21 subparagraph (B), an M&A broker shall be ex-
 22 empt from registration under this section.

23 “(B) EXCLUDED ACTIVITIES.—An M&A
 24 broker is not exempt from registration under

1 this paragraph if such broker does any of the
2 following:

3 “(i) Directly or indirectly, in connec-
4 tion with the transfer of ownership of an
5 eligible privately held company, receives,
6 holds, transmits, or has custody of the
7 funds or securities to be exchanged by the
8 parties to the transaction.

9 “(ii) Engages on behalf of an issuer in
10 a public offering of any class of securities
11 that is registered, or is required to be reg-
12 istered, with the Commission under section
13 12 or with respect to which the issuer files,
14 or is required to file, periodic information,
15 documents, and reports under subsection
16 (d).

17 “(C) RULE OF CONSTRUCTION.—Nothing
18 in this paragraph shall be construed to limit
19 any other authority of the Commission to ex-
20 empt any person, or any class of persons, from
21 any provision of this title, or from any provision
22 of any rule or regulation thereunder.

23 “(D) DEFINITIONS.—In this paragraph:

24 “(i) CONTROL.—The term ‘control’
25 means the power, directly or indirectly, to

1 direct the management or policies of a
2 company, whether through ownership of
3 securities, by contract, or otherwise. There
4 is a presumption of control for any person
5 who—

6 “(I) is a director, general part-
7 ner, member or manager of a limited
8 liability company, or officer exercising
9 executive responsibility (or has similar
10 status or functions);

11 “(II) has the right to vote 20
12 percent or more of a class of voting
13 securities or the power to sell or direct
14 the sale of 20 percent or more of a
15 class of voting securities; or

16 “(III) in the case of a partner-
17 ship or limited liability company, has
18 the right to receive upon dissolution,
19 or has contributed, 20 percent or
20 more of the capital.

21 “(ii) ELIGIBLE PRIVATELY HELD
22 COMPANY.—The term ‘eligible privately
23 held company’ means a company that
24 meets both of the following conditions:

1 “(I) The company does not have
2 any class of securities registered, or
3 required to be registered, with the
4 Commission under section 12 or with
5 respect to which the company files, or
6 is required to file, periodic informa-
7 tion, documents, and reports under
8 subsection (d).

9 “(II) In the fiscal year ending
10 immediately before the fiscal year in
11 which the services of the M&A broker
12 are initially engaged with respect to
13 the securities transaction, the com-
14 pany meets either or both of the fol-
15 lowing conditions (determined in ac-
16 cordance with the historical financial
17 accounting records of the company):

18 “(aa) The earnings of the
19 company before interest, taxes,
20 depreciation, and amortization
21 are less than \$25,000,000.

22 “(bb) The gross revenues of
23 the company are less than
24 \$250,000,000.

1 “(iii) M&A BROKER.—The term ‘M&A
2 broker’ means a broker, and any person
3 associated with a broker, engaged in the
4 business of effecting securities transactions
5 solely in connection with the transfer of
6 ownership of an eligible privately held com-
7 pany, regardless of whether the broker acts
8 on behalf of a seller or buyer, through the
9 purchase, sale, exchange, issuance, repur-
10 chase, or redemption of, or a business com-
11 bination involving, securities or assets of
12 the eligible privately held company, if the
13 broker reasonably believes that—

14 “(I) upon consummation of the
15 transaction, any person acquiring se-
16 curities or assets of the eligible pri-
17 vately held company, acting alone or
18 in concert, will control and, directly or
19 indirectly, will be active in the man-
20 agement of the eligible privately held
21 company or the business conducted
22 with the assets of the eligible privately
23 held company; and

24 “(II) if any person is offered se-
25 curities in exchange for securities or

1 assets of the eligible privately held
2 company, such person will, prior to
3 becoming legally bound to consum-
4 mate the transaction, receive or have
5 reasonable access to the most recent
6 year-end balance sheet, income state-
7 ment, statement of changes in finan-
8 cial position, and statement of owner's
9 equity of the issuer of the securities
10 offered in exchange, and, if the finan-
11 cial statements of the issuer are au-
12 dited, the related report of the inde-
13 pendent auditor, a balance sheet
14 dated not more than 120 days before
15 the date of the offer, and information
16 pertaining to the management, busi-
17 ness, results of operations for the pe-
18 riod covered by the foregoing financial
19 statements, and material loss contin-
20 gencies of the issuer.

21 “(E) INFLATION ADJUSTMENT.—

22 “(i) IN GENERAL.—On the date that
23 is 5 years after the date of the enactment
24 of this paragraph, and every 5 years there-

1 after, each dollar amount in subparagraph
2 (D)(ii)(II) shall be adjusted by—

3 “(I) dividing the annual value of
4 the Employment Cost Index For
5 Wages and Salaries, Private Industry
6 Workers (or any successor index), as
7 published by the Bureau of Labor
8 Statistics, for the calendar year pre-
9 ceding the calendar year in which the
10 adjustment is being made by the an-
11 nual value of such index (or suc-
12 cessor) for the calendar year ending
13 December 31, 2014; and

14 “(II) multiplying such dollar
15 amount by the quotient obtained
16 under subclause (I).

17 “(ii) ROUNDING.—Each dollar
18 amount determined under clause (i) shall
19 be rounded to the nearest multiple of
20 \$100,000.”.

21 **SEC. 402. EFFECTIVE DATE.**

22 This Act and any amendment made by this Act shall
23 take effect on the date that is 90 days after the date of
24 the enactment of this Act.

1 **TITLE V—SWAP DATA REPOSI-**
2 **TORY AND CLEARINGHOUSE**
3 **INDEMNIFICATION CORREC-**
4 **TIONS**

5 **SEC. 501. REPEAL OF INDEMNIFICATION REQUIREMENTS.**

6 (a) DERIVATIVES CLEARING ORGANIZATIONS.—Sec-
7 tion 5b(k)(5) of the Commodity Exchange Act (7 U.S.C.
8 7a–1(k)(5)) is amended to read as follows:

9 “(5) CONFIDENTIALITY AGREEMENT.—Before
10 the Commission may share information with any en-
11 tity described in paragraph (4), the Commission
12 shall receive a written agreement from each entity
13 stating that the entity shall abide by the confiden-
14 tiality requirements described in section 8 relating to
15 the information on swap transactions that is pro-
16 vided.”.

17 (b) SWAP DATA REPOSITORIES.—Section 21(d) of
18 the Commodity Exchange Act (7 U.S.C. 24a(d)) is amend-
19 ed to read as follows:

20 “(d) CONFIDENTIALITY AGREEMENT.—Before the
21 swap data repository may share information with any enti-
22 ty described in subsection (c)(7), the swap data repository
23 shall receive a written agreement from each entity stating
24 that the entity shall abide by the confidentiality require-

1 ments described in section 8 relating to the information
2 on swap transactions that is provided.”.

3 (c) SECURITY-BASED SWAP DATA REPOSITORIES.—
4 Section 13(n)(5)(H) of the Securities Exchange Act of
5 1934 (15 U.S.C. 78m(n)(5)(H)) is amended to read as
6 follows:

7 “(H) CONFIDENTIALITY AGREEMENT.—
8 Before the security-based swap data repository
9 may share information with any entity de-
10 scribed in subparagraph (G), the security-based
11 swap data repository shall receive a written
12 agreement from each entity stating that the en-
13 tity shall abide by the confidentiality require-
14 ments described in section 24 relating to the in-
15 formation on security-based swap transactions
16 that is provided.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this Act shall take effect as if enacted as part of the Dodd-
19 Frank Wall Street Reform and Consumer Protection Act
20 (Public Law 111–203) on July 21, 2010.

1 **TITLE VI—IMPROVING ACCESS**
2 **TO CAPITAL FOR EMERGING**
3 **GROWTH COMPANIES ACT**

4 **SEC. 601. FILING REQUIREMENT FOR PUBLIC FILING**
5 **PRIOR TO PUBLIC OFFERING.**

6 Section 6(e)(1) of the Securities Act of 1933 (15
7 U.S.C. 77f(e)(1)) is amended by striking “21 days” and
8 inserting “15 days”.

9 **SEC. 602. GRACE PERIOD FOR CHANGE OF STATUS OF**
10 **EMERGING GROWTH COMPANIES.**

11 Section 6(e)(1) of the Securities Act of 1933 (15
12 U.S.C. 77f(e)(1)) is further amended by adding at the end
13 the following: “An issuer that was an emerging growth
14 company at the time it submitted a confidential registra-
15 tion statement or, in lieu thereof, a publicly filed registra-
16 tion statement for review under this subsection but ceases
17 to be an emerging growth company thereafter shall con-
18 tinue to be treated as an emerging market growth com-
19 pany for the purposes of this subsection through the ear-
20 lier of the date on which the issuer consummates its initial
21 public offering pursuant to such registrations statement
22 or the end of the 1-year period beginning on the date the
23 company ceases to be an emerging growth company.”.

1 **SEC. 603. SIMPLIFIED DISCLOSURE REQUIREMENTS FOR**
2 **EMERGING GROWTH COMPANIES.**

3 Section 102 of the Jumpstart Our Business Startups
4 Act (Public Law 112–106) is amended by adding at the
5 end the following:

6 “(d) SIMPLIFIED DISCLOSURE REQUIREMENTS.—
7 With respect to an emerging growth company (as such
8 term is defined under section 2 of the Securities Act of
9 1933):

10 “(1) REQUIREMENT TO INCLUDE NOTICE ON
11 FORM S–1.—Not later than 30 days after the date
12 of enactment of this subsection, the Securities and
13 Exchange Commission shall revise its general in-
14 structions on Form S–1 to indicate that a registra-
15 tion statement filed (or submitted for confidential
16 review) by an issuer prior to an initial public offer-
17 ing may omit financial information for historical pe-
18 riods otherwise required by regulation S–X (17 CFR
19 210.1–01 et seq.) as of the time of filing (or con-
20 fidential submission) of such registration statement,
21 provided that—

22 “(A) the omitted financial information re-
23 lates to a historical period that the issuer rea-
24 sonably believes will not be required to be in-
25 cluded in the Form S–1 at the time of the con-
26 templated offering; and

1 “(B) prior to the issuer distributing a pre-
2 liminary prospectus to investors, such registra-
3 tion statement is amended to include all finan-
4 cial information required by such regulation S-
5 X at the date of such amendment.

6 “(2) RELIANCE BY ISSUERS.—Effective 30 days
7 after the date of enactment of this subsection, an
8 issuer filing a registration statement (or submitting
9 the statement for confidential review) on Form S-
10 1 may omit financial information for historical peri-
11 ods otherwise required by regulation S-X (17 CFR
12 210.1–01 et seq.) as of the time of filing (or con-
13 fidential submission) of such registration statement,
14 provided that—

15 “(A) the omitted financial information re-
16 lates to a historical period that the issuer rea-
17 sonably believes will not be required to be in-
18 cluded in the Form S-1 at the time of the con-
19 templated offering; and

20 “(B) prior to the issuer distributing a pre-
21 liminary prospectus to investors, such registra-
22 tion statement is amended to include all finan-
23 cial information required by such regulation S-
24 X at the date of such amendment.”.

1 **TITLE VII—SMALL COMPANY**
2 **DISCLOSURE SIMPLIFICA-**
3 **TION ACT**

4 **SEC. 701. EXEMPTION FROM XBRL REQUIREMENTS FOR**
5 **EMERGING GROWTH COMPANIES AND OTHER**
6 **SMALLER COMPANIES.**

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

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

22 (1) the date that is 5 years after the date of en-
23 actment of this Act; or

24 (2) the date that is 2 years after a determina-
25 tion by the Commission, by order after conducting

1 the analysis required by section 702, that the bene-
2 fits of such requirements to such issuers outweigh
3 the costs, but no earlier than 3 years after enact-
4 ment of this Act.

5 (c) MODIFICATIONS TO REGULATIONS.—Not later
6 than 60 days after the date of enactment of this Act, the
7 Commission shall revise its regulations under parts 229,
8 230, 232, 239, 240, and 249 of title 17, Code of Federal
9 Regulations, to reflect the exemptions set forth in sub-
10 sections (a) and (b).

11 **SEC. 702. ANALYSIS BY THE SEC.**

12 The Commission shall conduct an analysis of the
13 costs and benefits to issuers described in section 701(b)
14 of the requirements to use XBRL for financial statements
15 and other periodic reporting required to be filed with the
16 Commission under the securities laws. Such analysis shall
17 include an assessment of—

- 18 (1) how such costs and benefits may differ from
19 the costs and benefits identified by the Commission
20 in the order relating to interactive data to improve
21 financial reporting (dated January 30, 2009; 74
22 Fed. Reg. 6776) because of the size of such issuers;
23 (2) the effects on efficiency, competition, capital
24 formation, and financing and on analyst coverage of

1 such issuers (including any such effects resulting
2 from use of XBRL by investors);

3 (3) the costs to such issuers of—

4 (A) submitting data to the Commission in
5 XBRL;

6 (B) posting data on the website of the
7 issuer in XBRL;

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

10 (D) any additional consulting services or
11 filing agent services;

12 (4) the benefits to the Commission in terms of
13 improved ability to monitor securities markets, as-
14 sess the potential outcomes of regulatory alter-
15 natives, and enhance investor participation in cor-
16 porate governance and promote capital formation;
17 and

18 (5) the effectiveness of standards in the United
19 States for interactive filing data relative to the
20 standards of international counterparts.

21 **SEC. 703. REPORT TO CONGRESS.**

22 Not later than 1 year after the date of enactment
23 of this Act, the Commission shall provide the Committee
24 on Financial Services of the House of Representatives and

1 the Committee on Banking, Housing, and Urban Affairs
2 of the Senate a report regarding—

3 (1) the progress in implementing XBRL report-
4 ing within the Commission;

5 (2) the use of XBRL data by Commission offi-
6 cials;

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

8 (4) the results of the analysis required by sec-
9 tion 702; and

10 (5) any additional information the Commission
11 considers relevant for increasing transparency, de-
12 creasing costs, and increasing efficiency of regu-
13 latory filings with the Commission.

14 **SEC. 704. DEFINITIONS.**

15 As used in this title, the terms “Commission”,
16 “emerging growth company”, “issuer”, and “securities
17 laws” have the meanings given such terms in section 3
18 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

19 **TITLE VIII—RESTORING PROVEN**
20 **FINANCING FOR AMERICAN**
21 **EMPLOYERS ACT**

22 **SEC. 801. RULES OF CONSTRUCTION RELATING TO**
23 **COLLATERALIZED LOAN OBLIGATIONS.**

24 Section 13(c)(2) of the Bank Holding Company Act
25 of 1956 (12 U.S.C. 1851(c)(2)) is amended—

1 (1) by striking “A banking entity or nonbank
2 financial company supervised by the Board” and in-
3 serting the following:

4 “(A) GENERAL CONFORMANCE PERIOD.—

5 A banking entity or nonbank financial company
6 supervised by the Board”; and

7 (2) by adding at the end the following:

8 “(B) CONFORMANCE PERIOD FOR CERTAIN

9 COLLATERALIZED LOAN OBLIGATIONS.—

10 “(i) IN GENERAL.—Notwithstanding

11 subparagraph (A), a banking entity or
12 nonbank financial company supervised by
13 the Board shall bring its activities related
14 to or investments in a debt security of a
15 collateralized loan obligation issued before
16 January 31, 2014, into compliance with
17 the requirements of subsection (a)(1)(B)
18 and any applicable rules relating to sub-
19 section (a)(1)(B) not later than July 21,
20 2019.

21 “(ii) COLLATERALIZED LOAN OBLIGA-

22 TION.—For purposes of this subparagraph,
23 the term ‘collateralized loan obligation’
24 means any issuing entity of an asset-
25 backed security, as defined in section

1 3(a)(77) of the Securities Exchange Act of
2 1934 (15 U.S.C. 78c(a)(77)), that is com-
3 prised primarily of commercial loans.”.

4 **TITLE IX—SBIC ADVISERS**
5 **RELIEF ACT**

6 **SEC. 901. ADVISERS OF SBICS AND VENTURE CAPITAL**
7 **FUNDS.**

8 Section 203(l) of the Investment Advisers Act of
9 1940 (15 U.S.C. 80b–3(l)) is amended—

10 (1) by striking “No investment adviser” and in-
11 serting the following:

12 “(1) IN GENERAL.—No investment adviser”;
13 and

14 (2) by adding at the end the following:

15 “(2) ADVISERS OF SBICS.—For purposes of this
16 subsection, a venture capital fund includes an entity
17 described in subparagraph (A), (B), or (C) of sub-
18 section (b)(7) (other than an entity that has elected
19 to be regulated or is regulated as a business develop-
20 ment company pursuant to section 54 of the Invest-
21 ment Company Act of 1940).”.

22 **SEC. 902. ADVISERS OF SBICS AND PRIVATE FUNDS.**

23 Section 203(m) of the Investment Advisers Act of
24 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the
25 end the following:

1 “(3) ADVISERS OF SBICS.—For purposes of this
2 subsection, the assets under management of a pri-
3 vate fund that is an entity described in subpara-
4 graph (A), (B), or (C) of subsection (b)(7) (other
5 than an entity that has elected to be regulated or is
6 regulated as a business development company pursu-
7 ant to section 54 of the Investment Company Act of
8 1940) shall be excluded from the limit set forth in
9 paragraph (1).”.

10 **SEC. 903. RELATIONSHIP TO STATE LAW.**

11 Section 203A(b)(1) of the Investment Advisers Act
12 of 1940 (15 U.S.C. 80b–3a(b)(1)) is amended—

13 (1) in subparagraph (A), by striking “or” at
14 the end;

15 (2) in subparagraph (B), by striking the period
16 at the end and inserting “; or”; and

17 (3) by adding at the end the following:

18 “(C) that is not registered under section
19 203 because that person is exempt from reg-
20 istration as provided in subsection (b)(7) of
21 such section, or is a supervised person of such
22 person.”.

1 **TITLE X—DISCLOSURE MOD-**
2 **ERNIZATION AND SIM-**
3 **PLIFICATION ACT**

4 **SEC. 1001. SUMMARY PAGE FOR FORM 10-K.**

5 Not later than the end of the 180-day period begin-
6 ning on the date of the enactment of this Act, the Securi-
7 ties and Exchange Commission shall issue regulations to
8 permit issuers to submit a summary page on form 10-
9 K (17 CFR 249.310), but only if each item on such sum-
10 mary page includes a cross-reference (by electronic link
11 or otherwise) to the material contained in form 10-K to
12 which such item relates.

13 **SEC. 1002. IMPROVEMENT OF REGULATION S-K.**

14 Not later than the end of the 180-day period begin-
15 ning on the date of the enactment of this Act, the Securi-
16 ties and Exchange Commission shall take all such actions
17 to revise regulation S-K (17 CFR 229.10 et seq.)—

18 (1) to further scale or eliminate requirements of
19 regulation S-K, in order to reduce the burden on
20 emerging growth companies, accelerated filers,
21 smaller reporting companies, and other smaller
22 issuers, while still providing all material information
23 to investors;

1 (2) to eliminate provisions of regulation S–K,
2 required for all issuers, that are duplicative, overlap-
3 ping, outdated, or unnecessary; and

4 (3) for which the Commission determines that
5 no further study under section 1003 is necessary to
6 determine the efficacy of such revisions to regulation
7 S–K.

8 **SEC. 1003. STUDY ON MODERNIZATION AND SIMPLIFICA-**
9 **TION OF REGULATION S–K.**

10 (a) **STUDY.**—The Securities and Exchange Commis-
11 sion shall carry out a study of the requirements contained
12 in regulation S–K (17 CFR 229.10 et seq.). Such study
13 shall—

14 (1) determine how best to modernize and sim-
15 plify such requirements in a manner that reduces
16 the costs and burdens on issuers while still providing
17 all material information;

18 (2) emphasize a company by company approach
19 that allows relevant and material information to be
20 disseminated to investors without boilerplate lan-
21 guage or static requirements while preserving com-
22 pleteness and comparability of information across
23 registrants; and

24 (3) evaluate methods of information delivery
25 and presentation and explore methods for discour-

1 aging repetition and the disclosure of immaterial in-
2 formation.

3 (b) CONSULTATION.—In conducting the study re-
4 quired under subsection (a), the Commission shall consult
5 with the Investor Advisory Committee and the Advisory
6 Committee on Small and Emerging Companies.

7 (c) REPORT.—Not later than the end of the 360-day
8 period beginning on the date of enactment of this Act, the
9 Commission shall issue a report to the Congress con-
10 taining—

11 (1) all findings and determinations made in car-
12 rying out the study required under subsection (a);

13 (2) specific and detailed recommendations on
14 modernizing and simplifying the requirements in
15 regulation S–K in a manner that reduces the costs
16 and burdens on companies while still providing all
17 material information; and

18 (3) specific and detailed recommendations on
19 ways to improve the readability and navigability of
20 disclosure documents and to discourage repetition
21 and the disclosure of immaterial information.

22 (d) RULEMAKING.—Not later than the end of the
23 360-day period beginning on the date that the report is
24 issued to the Congress under subsection (c), the Commis-

1 sion shall issue a proposed rule to implement the rec-
 2 ommendations of the report issued under subsection (c).

3 (e) RULE OF CONSTRUCTION.—Revisions made to
 4 regulation S–K by the Commission under section 1002
 5 shall not be construed as satisfying the rulemaking re-
 6 quirements under this section.

7 **TITLE XI—ENCOURAGING** 8 **EMPLOYEE OWNERSHIP ACT**

9 **SEC. 1101. INCREASED THRESHOLD FOR DISCLOSURES RE-** 10 **LATING TO COMPENSATORY BENEFIT PLANS.**

11 Not later than 60 days after the date of the enact-
 12 ment of this Act, the Securities and Exchange Commission
 13 shall revise section 230.701(e) of title 17, Code of Federal
 14 Regulations, so as to increase from \$5,000,000 to
 15 \$10,000,000 the aggregate sales price or amount of secu-
 16 rities sold during any consecutive 12-month period in ex-
 17 cess of which the issuer is required under such section to
 18 deliver an additional disclosure to investors. The Commis-
 19 sion shall index for inflation such aggregate sales price
 20 or amount every 5 years to reflect the change in the Con-
 21 sumer Price Index for All Urban Consumers published by

1 the Bureau of Labor Statistics, rounding to the nearest
2 \$1,000,000.

Passed the House of Representatives January 14,
2015.

Attest:

KAREN L. HAAS,
Clerk.