vote of 60–0, would make a simple change in the basic registration form for new securities offerings, the form S–1.

Specifically, it would allow smaller reporting companies to incorporate by reference any documents filed with the SEC after the effective date, which means that those companies will not have to go through the trouble of refiling the form S–1 again and again.

□ 1430

This will have a profound impact on these small companies by cutting compliance costs, as they will not have to file redundant paperwork and wait on the SEC to approve their filing in order to raise capital and grow their small business.

Small companies are increasingly leading the way in terms of technological innovation and job creation but consistently struggle with finding adequate access to capital in order to grow their business. It is a fact that small businesses are the main driver of economic growth in our country, as they create more jobs than any other business sector in America.

In fact, the Kauffman Foundation, which is a nonprofit economic resource organization based in Kansas City, Missouri, estimated in 2010 that startups create an average of 3 million jobs annually and stated: ''Without startups, there would be no net job growth in the U.S. economy.'' It is clear that we must empower small businesses with every avenue to grow and, therefore, create jobs.

For many small businesses looking to take the next step in expanding, going public is an attractive option that grants them access to the capital markets and allows them to issue stock to a wider range of investors. However, the ''price of admission'' for this avenue to raising capital is continually increasing through the amount of compliance and red tape required. For many, it simply is not worth it.

Indeed, our securities laws are structured today in a way that favors large companies over small startups, which are struggling to gain market share, by increasingly requiring more legal compliance and providing exemptions for companies over certain revenue thresholds.

The JOBS Act from 2012 made many improvements to this system and provided small companies additional access to the equity markets. My bill, the Small Company Simple Registration Act, expands upon the progress of the JOBS Act by making securities registration forms more efficient for the main driver of our economy, small business.

During a hearing before the House Financial Services Committee earlier this year, a representative of BIO, Mr. Kovacs from PTC Therapeutics, testified about their experiences with doing a follow-on offering inside of a year of their IPO using form S–1. Ultimately, they had to go and update the entire S–1, which is a process that took weeks of work and required help from outside legal counsel.

If the ''forward incorporation by reference'' provision from H.R. 1723 had been in place, they could simply include a reference to any additional documentation filed alongside their original S–1 form, which would have taken much less time and required significantly less legal help.

Additionally, investors would still be protected by having access to all needed information from the S–1 form, as well as any additional documentation.

I would like to close by urging support for this commonsense and strong bipartisan piece of legislation that would streamline the paperwork that small businesses are required to file. This is something that the SEC's own working group on small business capital formation has recommended for several years now, but which the SEC itself has failed to act upon.

Furthermore, this piece of legislation passed the committee earlier this year on a unanimous vote 60–0.

I urge passage of this legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to also support this legislation. This bipartisan legislation is another example of how we can work together on the Financial Services Committee on behalf of small businesses in this country.

Both Democrats and Republicans have said over and over again that we must do everything that we can to support our small businesses. That is from capital formation to making sure that we get rid of bureaucratic rules and regulations.

Again, this is another great example of that, and I am pleased to be a part of that.

Mr. Speaker, I yield back the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

I would, again, like to thank the ranking member for working together on this piece of bipartisan legislation.

I also want to thank the chairman, Chairman HENSARLING, as well as Representative WAGNER and Representative SEWELL, for their laser focus on streamlining SEC regulations that are unnecessary and costly while still maintaining a rock-solid commitment to investor protection. It is my hope the House will adopt this measure.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HURT) that the House suspend the rules and pass the bill, H.R. 1723.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HURT of Virginia. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

SWAP DATA REPOSITORY AND CLEARINGHOUSE INDEMNIFICATION CORRECTION ACT OF 2015

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1847) to amend the Securities Exchange Act of 1934 and the Commodity Exchange Act to repeal the indemnification requirements for regulatory authorities to obtain access to swap data required to be provided by swaps entities under such Acts, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Swap Data Repository and Clearinghouse Indemnification Correction Act of 2015''.

SEC. 2. REPEAL OF INDEMNIFICATION REQUIREMENTS.

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

''(5) CONFIDENTIALITY AGREEMENT.—Before the Commission may share information with any entity described in paragraph (4), the Commission shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided.''.

(b) SWAP DATA REPOSITORIES.—Section 21 of such Act (7 U.S.C. 24a) is amended—

(1) in subsection (c)(7)—

(A) in the matter preceding subparagraph (A), by striking ''all'' and inserting ''swap''; and

(B) in subparagraph (E)—

(i) in clause (ii), by striking ''and'' at the end; and

(ii) by adding at the end the following:

''(iv) other foreign authorities; and''; and

(2) by striking subsection (d) and inserting the following:

''(d) CONFIDENTIALITY AGREEMENT.—Before the swap data repository may share information with any entity described in subsection (c)(7), the swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 8 relating to the information on swap transactions that is provided.''.

(c) SECURITY-BASED SWAP DATA REPOSITORIES.—Section 13(n)(5) of the Securities Exchange Act of 1934 25 (15 U.S.C. 78m(n)(5)) is amended—

(1) in subparagraph (G)—

(A) in the matter preceding clause (i), by striking ''all'' and inserting ''security-based swap''; and

(B) in subclause (v)—

(i) in subclause (II), by striking ''; and'' and inserting a semicolon;

(ii) in subclause (III), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(IV) other foreign authorities.''; and

(2) by striking subparagraph (H) and inserting the following:

''(H) CONFIDENTIALITY AGREEMENT.—Before the security-based swap data repository may share information with any entity described in subparagraph (G), the security-based swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 24 relating to the information on security-based swap transactions that is provided.''.

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. HURT) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. HURT of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HURT of Virginia. Mr. Speaker, I ask unanimous consent to yield all remaining time to the gentleman from Georgia (Mr. AUSTIN SCOTT) and ask unanimous consent that he be allowed to control the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 1847, the Swap Data Repository and Clearinghouse Indemnification Correction Act of 2015.

I want to thank Mr. HURT and Chairman HENSARLING for allowing the Agriculture Committee to manage time with them today. The members of our committee have always appreciated the close working relationship that we have with the Financial Services Committee on these financial and regulatory issues.

H.R. 1847 is a targeted correction to remove barriers to information sharing. Dodd-Frank currently requires indemnification agreements from foreign regulators requesting information from U.S. swap data repositories or derivatives clearing organizations.

The agreements state that the foreign regulators will abide by certain confidentiality requirements and indemnify the U.S. commissions for any expenses arising from litigation relating to the request for information.

Unfortunately, the concept of indemnification does not exist in many foreign jurisdictions. Therefore, some foreign regulators cannot agree to these requirements. This may hinder our ability to make workable data sharing arrangements with those regulators and, ultimately, fragment the marketplace by encouraging them to establish their own data repositories.

H.R. 1847 addresses this potential data sharing problem by removing the indemnification requirements from current law, while maintaining existing provisions requiring confidentiality obligations.

This technical correction has been a longstanding priority for Congress. Similar legislation passed the House in the 113th Congress by a vote of 420–2 and passed the House again this year as part of H.R. 37, the Promoting Job Creation and Reducing Small Business Burdens Act.

Additionally, this identical language was included in H.R. 2289, the Commodity End-User Relief Act, after a small technical change was offered by Ms. MOORE and Mr. CRAWFORD and accepted by the House.

I urge my colleagues to join me in supporting H.R. 1847 to ensure that regulators and market participants have access to a global set of swap market data.

I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, July 13, 2015.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR CHAIRMAN HENSARLING: I am writing concerning H.R. 1847, the ''Swap Data Repository and Clearinghouse Indemnification Correction Act of 2015.''

This legislation contains provisions within the Committee on Agriculture's Rule X jurisdiction. As a result of your having consulted with the Committee and in order to expedite this bill for floor consideration, the Committee on Agriculture will forego action on the bill. This is being done on the basis of our mutual understanding that doing so will in no way diminish or alter the jurisdiction of the Committee on Agriculture with respect to the appointment of conferees, or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation.

I would appreciate your response to this letter confirming this understanding, and would request that you include a copy of this letter and your response in the Committee Report and in the Congressional Record during the floor consideration of this bill. Thank you in advance for your cooperation.

Sincerely,

K. MICHAEL CONAWAY,
Chairman.

___

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, July 14, 2015.

Hon. MICHAEL CONAWAY,
Chairman, Committee on Agriculture, Washington, DC.

DEAR CHAIRMAN CONAWAY: Thank you for your July 13 letter regarding H.R. 1847, the ''Swap Data Repository and Clearinghouse Indemnification Correction Act of 2015''.

I am most appreciative of your decision to forego action on H.R. 1847 so that it may move expeditiously to the House floor. I acknowledge that although you are waiving action on the bill, the Committee on Agriculture is in no way waiving its jurisdiction over any subject matter contained in the bill that falls within its jurisdiction. In addition, if a conference is necessary on this legislation, I will support any request that your committee be represented therein.

Finally, I shall be pleased to include your letter and this letter in our committee's report on H.R. 1847 and in the Congressional Record during floor consideration of the same.

Sincerely,

JEB HENSARLING,
Chairman.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, transparent trading of derivatives, along with realtime reporting of trades to swap data repositories, is a crucial element of the Dodd-Frank Act.

This bill makes necessary technical changes to better enable our Nation's regulators to share that data about derivatives with one another and with their foreign counterparts.

An unintended result in Dodd-Frank of trying to protect both regulators and the data repositories from burdensome litigation was that other regulators lacked the authority to pay future legal expenses, thus threatening to prevent the sharing of information.

This was clearly not intended as one of the primary goals of title VII, to enable regulators and the public to better understand the derivatives market. H.R. 1847 addresses those concerns and is supported by the industry and advocates, like Americans for Financial Reform, alike.

I also understand that the bill includes additional changes to the legislation requested by the SEC to better target the statutory change.

I thank Representative MOORE and Representative CRAWFORD for working together in a bipartisan manner to address these issues and solve a very real threat to cross-border regulatory cooperation and oversight.

I urge support of this legislation, and I reserve the balance of my time.

Mr. AUSTIN SCOTT of Georgia. I yield such time as he may consume to the gentleman from Arkansas (Mr. CRAWFORD) and thank him for his continued work on this technical but critical issue.

Mr. CRAWFORD. Mr. Chairman, I thank the distinguished chairman of the subcommittee, Mr. SCOTT, and I would like to thank the other cosponsors of this bill, Mr. HUIZENGA, Ms. MOORE, and Mr. MALONEY, for joining me in this bipartisan effort to help bring transparency to the global swap markets. I certainly appreciate the subcommittee chairman's support as well.

While I might not agree with every provision in the Dodd-Frank law today, I believe we are working towards its bipartisan goal of giving regulators the tools they need to improve systemic risk mitigation in the global financial markets.

I think everyone agrees that the lack of transparency and the over-the-counter derivatives markets escalated the financial crisis of 2008. In order to provide market transparency, the Dodd-Frank law requires posttrade reporting to swap data repositories, or

SDRs as they are called, so that regulators and market participants have access to realtime market data that will help identify systemic risk in the financial system. So far, we have made great strides in reaching this goal, but, unfortunately, a provision in the law threatens to undermine our progress unless we fix it.

Currently, Dodd-Frank requires a provision requiring a foreign regulator to indemnify a U.S.-based SDR from any expenses arising from litigation relating to a request from market data. While the intent of the provision was to protect market confidentiality, in practice, it threatens to fragment global data on swap markets because it is a major stumbling block to our regulators' abilities to coordinate with foreign counterparts.

The intended result is a fragmented global data framework where regulators were unable to see a complete picture of the marketplace. Without effective coordination between international regulators and SDRs, monitoring and mitigating global systematic risk is severely limited.

My bill fixes this problem by removing the indemnification provisions in Dodd-Frank. This legislation has broad bipartisan support and passed the House by an overwhelming vote of 420–2 in the last Congress, as Chairman SCOTT indicated. Additionally, both the SEC and CFTC are on record supporting this bill.

If left unresolved, the indemnification provision in Dodd-Frank has the potential to reduce transparency in the over-the-counter derivatives markets and undo the great progress already being made through the cooperative efforts of more than 50 regulators worldwide.

In passing this legislation, we ensure that regulators will have access to a global set of swap market data, which is essential to maintaining the highest degree of market transparency and risk mitigation.

I strongly urge my colleagues to vote ''yes'' on this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Wisconsin (Ms. MOORE), who happens to be the ranking member for the Subcommittee on Monetary Policy and Trade.

□ 1445

Ms. MOORE. Mr. Speaker, I thank the madam ranking member for this opportunity to speak on H.R. 1847.

I also want to thank all of my cosponsors on this legislation: Representative HUIZENGA, Representative CRAWFORD, and Representative SEAN PATRICK MALONEY.

Mr. Speaker, the House Financial Services and Agriculture Committees passed this legislation with bipartisan support and without controversy in 2013, 2014, and 2015. This bill has passed the House several times with overwhelming margins, and it is supported by the SEC.

At the Bipartisan Policy Center's 5-year look-back at Dodd-Frank just last week, the question was put to former Commodity Futures Trading Commissioner Jill Sommers: What is yet to be done in Dodd-Frank that needs to be done? Her answer: fixing the indemnification provision.

Here we are today, and we have an opportunity to do this with that bill. Let me try to make this really simple.

A major objective of the Dodd-Frank Act was to improve transparency and to eliminate systemic risk mitigation in global derivatives markets. This bill is a technical fix to ensure that the goal of swaps transparency is realized.

In fact, Dodd-Frank requires post-trade reporting to swap data repositories. During the crisis, these SDRs did not exist.

As a matter of fact, to quote Warren Buffett when he described the situation we were in, he said:

Only when the tide goes out do you discover who has been swimming naked.

This is a really important feature in Dodd-Frank. However, as written, a provision threatens the reporting regime and threatens to fragment the collection of data by imposing an unnecessary requirement on foreign SDRs and regulators that would impede compliance.

By eliminating this unnecessary requirement, this bill makes it possible to achieve the goal of bringing comprehensive swap trade information, transparency, and oversight to the global derivatives markets.

Regardless of your position on derivatives or on Dodd-Frank, this bill makes sense, and I urge all of my colleagues to support it.

Ms. MAXINE WATERS of California. Mr. Speaker, I have no additional speakers.

I yield back the balance of my time.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, in closing, I want to thank both the Democrats and the Republicans who have worked on this.

The House has acted several times in a bipartisan manner on this legislation—420–2 on very similar legislation. We have passed this multiple times; so I would just encourage all Members to support this piece of legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HURT) that the House suspend the rules and pass the bill, H.R. 1847, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

IMPROVING ACCESS TO CAPITAL FOR EMERGING GROWTH COMPANIES ACT

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2064) to amend certain provisions of the securities laws relating to the treatment of emerging growth companies, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2064

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Improving Access to Capital for Emerging Growth Companies Act''.

SEC. 2. FILING REQUIREMENT FOR PUBLIC FILING PRIOR TO PUBLIC OFFERING.

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

SEC. 3. GRACE PERIOD FOR CHANGE OF STATUS OF EMERGING GROWTH COMPANIES.

Section 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1)) is further amended by adding at the end the following: ''An issuer that was an emerging growth company at the time it submitted a confidential registration statement or, in lieu thereof, a publicly filed registration statement for review under this subsection but ceases to be an emerging growth company thereafter shall continue to be treated as an emerging market growth company for the purposes of this subsection through the earlier of the date on which the issuer consummates its initial public offering pursuant to such registrations statement or the end of the 1-year period beginning on the date the company ceases to be an emerging growth company.''.

SEC. 4. SIMPLIFIED DISCLOSURE REQUIREMENTS FOR EMERGING GROWTH COMPANIES.

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

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

''(1) REQUIREMENT TO INCLUDE NOTICE ON FORMS S–1 AND F–1.—Not later than 30 days after the date of enactment of this subsection, the Securities and Exchange Commission shall revise its general instructions on Forms S–1 and F–1 to indicate that a registration statement filed (or submitted for confidential review) by an issuer prior to an initial public offering may omit financial information for historical periods otherwise required by regulation S–X (17 C.F.R. 210.1–01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

''(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S–1 or F–1 at the time of the contemplated offering; and

''(B) prior to the issuer distributing a preliminary prospectus to investors, such registration statement is amended to include all financial information required by such regulation S–X at the date of such amendment.

''(2) RELIANCE BY ISSUERS.—Effective 30 days after the date of enactment of this subsection, an issuer filing a registration statement (or submitting the statement for confidential review) on Form S–1 or Form F–1 may omit financial information for historical periods otherwise required by regulation S–X (17 C.F.R. 210.1–01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

''(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S–1 or Form F–1 at the time of the contemplated offering; and

''(B) prior to the issuer distributing a preliminary prospectus to investors, such registration