

112TH CONGRESS
1ST SESSION

H. R. 1965

AN ACT

To amend the securities laws to establish certain thresholds
for shareholder registration, 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. SHAREHOLDER REGISTRATION THRESHOLD.**

2 (a) AMENDMENTS TO SECTION 12 OF THE SECURI-
3 TIES EXCHANGE ACT OF 1934.—Section 12(g) of the Se-
4 curities Exchange Act of 1934 (15 U.S.C. 78l (g)) is
5 amended—

6 (1) in paragraph (1)—

7 (A) by striking “\$1,000,000” both places
8 it appears and inserting “\$10,000,000”;

9 (B) in subparagraph (A), by striking “;
10 and” and inserting a semicolon;

11 (C) in subparagraph (B), by striking the
12 comma at the end and inserting “; and”; and

13 (D) by inserting after subparagraph (B)
14 the following:

15 “(C) in the case of an issuer that is a bank, as
16 such term is defined in section 3(a)(6) of this title,
17 or a bank holding company, as such term is defined
18 in section 2 of the Bank Holding Company Act of
19 1956 (12 U.S.C. 1841), not later than 120 days
20 after the last day of its first fiscal year ended after
21 the effective date of this subsection, on which the
22 issuer has total assets exceeding \$10,000,000 and a
23 class of equity security (other than an exempted se-
24 curity) held of record by 2,000 or more persons,”;
25 and

1 (2) COSTS AND BENEFITS.—The cost-benefit
2 analysis under paragraph (1) shall take into ac-
3 count—

4 (A) the incremental costs and benefits to
5 investors of the increased disclosure that results
6 from registration;

7 (B) the incremental costs and benefits to
8 issuers associated with registration and report-
9 ing requirements; and

10 (C) the incremental administrative costs to
11 the Commission associated with different
12 thresholds.

13 (3) THRESHOLDS.—The cost-benefit analysis
14 under paragraph (1) shall evaluate whether it is ad-
15 visable to—

16 (A) increase the asset threshold;

17 (B) index the asset threshold to a measure
18 of inflation;

19 (C) increase the shareholder threshold;

20 (D) change the shareholder threshold to be
21 based on the number of beneficial owners; and

22 (E) create new thresholds based on other
23 criteria.

24 (b) REPORT.—Not later than 2 years after the date
25 of enactment of this Act, the Chief Economist and the Di-

1 rector of the Division of Corporation Finance of the Com-
2 mission shall jointly submit to the Committee on Banking,
3 Housing, and Urban Affairs of the Senate and the Com-
4 mittee on Financial Services of the House of Representa-
5 tives a report that includes—

6 (1) the findings of the study required under
7 subsection (a); and

8 (2) recommendations for statutory changes to
9 improve the shareholder registration thresholds.

10 **SEC. 3. RULEMAKING.**

11 Not later than 1 year after the date of enactment
12 of this Act, the Commission shall issue final regulations
13 to implement this Act and the amendments made by this
14 Act.

 Passed the House of Representatives November 2,
2011.

Attest:

Clerk.

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