

Union Calendar No. 482

113TH CONGRESS
2^D SESSION

H. R. 4569

[Report No. 113-642]

To require the Securities and Exchange Commission to make certain improvements to form 10-K and regulation S-K, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2014

Mr. GARRETT (for himself and Mr. HURT) introduced the following bill; which
was referred to the Committee on Financial Services

DECEMBER 2, 2014

Additional sponsor: Mr. HULTGREN

DECEMBER 2, 2014

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To require the Securities and Exchange Commission to make certain improvements to form 10-K and regulation S-K, 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 “Disclosure Moderniza-
5 tion and Simplification Act of 2014”.

6 **SEC. 2. SUMMARY PAGE FOR FORM 10-K.**

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

15 **SEC. 3. IMPROVEMENT OF REGULATION S-K.**

16 Not later than the end of the 180-day period begin-
17 ning on the date of the enactment of this Act, the Securi-
18 ties and Exchange Commission shall revise regulation S-
19 K (17 C.F.R. 229.10 et seq.)—

20 (1) to further scale or eliminate requirements of
21 regulation S-K, in order to reduce the burden on
22 emerging growth companies, accelerated filers, and
23 smaller reporting companies, and other smaller
24 issuers; and

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 3 ~~ping, outdated, or unnecessary.~~

4 **SEC. 4. STUDY ON MODERNIZATION AND SIMPLIFICATION**
 5 **OF REGULATION S-K.**

6 ~~(a) STUDY.~~—The Securities and Exchange Commis-
 7 sion shall carry out a study of the requirements contained
 8 in regulation S-K (17 C.F.R. 229.10 et seq.). Such study
 9 shall—

10 ~~(1) determine how best to modernize and sim-~~
 11 ~~plify such requirements in a manner that reduces~~
 12 ~~the costs and burdens on issuers while still providing~~
 13 ~~all material information;~~

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

20 ~~(3) evaluate methods of information delivery~~
 21 ~~and presentation and explore methods for discour-~~
 22 ~~aging repetition and the disclosure of immaterial in-~~
 23 ~~formation.~~

24 ~~(b) REPORT.~~—Not later than the end of the 360-day
 25 period beginning on the date of enactment of this Act, the

1 Commission shall issue a report to the Congress con-
 2 taining—

3 (1) all findings and determinations made in ear-
 4 rying out the study required under subsection (a);

5 (2) specific and detailed recommendations on
 6 modernizing and simplifying the requirements in
 7 regulation S-K in a manner that reduces the costs
 8 and burdens on companies while still providing all
 9 material information; and

10 (3) specific and detailed recommendations on
 11 ways to improve the readability and navigability of
 12 disclosure documents and to discourage repetition
 13 and the disclosure of immaterial information.

14 (c) RULEMAKING.—Not later than the end of the
 15 360-day period beginning on the date that the report is
 16 issued to the Congress under subsection (b), the Commis-
 17 sion shall issue a proposed rule to implement the rec-
 18 ommendations of the report issued under subsection (b).

19 (d) RULE OF CONSTRUCTION.—Revisions made to
 20 regulation S-K by the Commission under section 3 shall
 21 not be construed as satisfying the rulemaking require-
 22 ments under this section.

23 **SECTION 1. SHORT TITLE.**

24 *This Act may be cited as the “Disclosure Moderniza-*
 25 *tion and Simplification Act of 2014”.*

1 **SEC. 2. SUMMARY PAGE FOR FORM 10-K.**

2 *Not later than the end of the 180-day period beginning*
3 *on the date of the enactment of this Act, the Securities and*
4 *Exchange Commission shall issue regulations to permit*
5 *issuers to submit a summary page on form 10-K (17 C.F.R.*
6 *249.310), but only if each item on such summary page in-*
7 *cludes a cross-reference (by electronic link or otherwise) to*
8 *the material contained in form 10-K to which such item*
9 *relates.*

10 **SEC. 3. IMPROVEMENT OF REGULATION S-K.**

11 *Not later than the end of the 180-day period beginning*
12 *on the date of the enactment of this Act, the Securities and*
13 *Exchange Commission shall take all such actions to revise*
14 *regulation S-K (17 C.F.R. 229.10 et seq.)—*

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

20 *(2) to eliminate provisions of regulation S-K, re-*
21 *quired for all issuers, that are duplicative, overlap-*
22 *ping, outdated, or unnecessary; and*

23 *(3) for which the Commission determines that no*
24 *further study under section 4 is necessary to deter-*
25 *mine the efficacy of such revisions to regulation S-K.*

1 **SEC. 4. STUDY ON MODERNIZATION AND SIMPLIFICATION**
2 **OF REGULATION S-K.**

3 (a) *STUDY.*—*The Securities and Exchange Commis-*
4 *sion shall carry out a study of the requirements contained*
5 *in regulation S-K (17 C.F.R. 229.10 et seq.). Such study*
6 *shall—*

7 (1) *determine how best to modernize and sim-*
8 *plify such requirements in a manner that reduces the*
9 *costs and burdens on issuers while still providing all*
10 *material information;*

11 (2) *emphasize a company by company approach*
12 *that allows relevant and material information to be*
13 *disseminated to investors without boilerplate language*
14 *or static requirements while preserving completeness*
15 *and comparability of information across registrants;*
16 *and*

17 (3) *evaluate methods of information delivery and*
18 *presentation and explore methods for discouraging*
19 *repetition and the disclosure of immaterial informa-*
20 *tion.*

21 (b) *CONSULTATION.*—*In conducting the study required*
22 *under subsection (a), the Commission shall consult with the*
23 *Investor Advisory Committee and the Advisory Committee*
24 *on Small and Emerging Companies.*

25 (c) *REPORT.*—*Not later than the end of the 360-day*
26 *period beginning on the date of enactment of this Act, the*

1 *Commission shall issue a report to the Congress con-*
2 *taining—*

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

5 (2) *specific and detailed recommendations on*
6 *modernizing and simplifying the requirements in reg-*
7 *ulation S-K in a manner that reduces the costs and*
8 *burdens on companies while still providing all mate-*
9 *rial information; and*

10 (3) *specific and detailed recommendations on*
11 *ways to improve the readability and navigability of*
12 *disclosure documents and to discourage repetition and*
13 *the disclosure of immaterial information.*

14 (d) *RULEMAKING.—Not later than the end of the 360-*
15 *day period beginning on the date that the report is issued*
16 *to the Congress under subsection (c), the Commission shall*
17 *issue a proposed rule to implement the recommendations*
18 *of the report issued under subsection (c).*

19 (e) *RULE OF CONSTRUCTION.—Revisions made to reg-*
20 *ulation S-K by the Commission under section 3 shall not*
21 *be construed as satisfying the rulemaking requirements*
22 *under this section.*

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