

114TH CONGRESS
2D SESSION

H. R. 4139

AN ACT

To amend the Sarbanes-Oxley Act of 2002 to provide a temporary exemption for low-revenue issuers from certain auditor attestation requirements.

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 “Fostering Innovation
3 Act of 2015”.

4 **SEC. 2. TEMPORARY EXEMPTION FOR LOW-REVENUE**
5 **ISSUERS.**

6 Section 404 of the Sarbanes-Oxley Act of 2002 (15
7 U.S.C. 7262) is amended by adding at the end the fol-
8 lowing:

9 “(d) **TEMPORARY EXEMPTION FOR LOW-REVENUE**
10 **ISSUERS.—**

11 “(1) **LOW-REVENUE EXEMPTION.—**Subsection
12 (b) shall not apply with respect to an audit report
13 prepared for an issuer that—

14 “(A) ceased to be an emerging growth
15 company on the last day of the fiscal year of
16 the issuer following the fifth anniversary of the
17 date of the first sale of common equity securi-
18 ties of the issuer pursuant to an effective reg-
19 istration statement under the Securities Act of
20 1933;

21 “(B) had average annual gross revenues of
22 less than \$50,000,000 as of its most recently
23 completed fiscal year; and

24 “(C) is not a large accelerated filer.

25 “(2) **EXPIRATION OF TEMPORARY EXEMP-**
26 **TION.—**An issuer ceases to be eligible for the exemp-

1 tion described under paragraph (1) at the earliest
2 of—

3 “(A) the last day of the fiscal year of the
4 issuer following the tenth anniversary of the
5 date of the first sale of common equity securi-
6 ties of the issuer pursuant to an effective reg-
7 istration statement under the Securities Act of
8 1933;

9 “(B) the last day of the fiscal year of the
10 issuer during which the average annual gross
11 revenues of the issuer exceed \$50,000,000; or

12 “(C) the date on which the issuer becomes
13 a large accelerated filer.

14 “(3) DEFINITIONS.—For purposes of this sub-
15 section:

16 “(A) AVERAGE ANNUAL GROSS REVE-
17 NUES.—The term ‘average annual gross reve-
18 nues’ means the total gross revenues of an
19 issuer over its most recently completed 3 fiscal
20 years divided by 3.

21 “(B) EMERGING GROWTH COMPANY.—The
22 term ‘emerging growth company’ has the mean-
23 ing given such term under section 3 of the Se-
24 curities Exchange Act of 1934 (15 U.S.C. 78e).

1 “(C) LARGE ACCELERATED FILER.—The
2 term ‘large accelerated filer’ has the meaning
3 given that term under section 240.12b–2 of title
4 17, Code of Federal Regulations, or any suc-
5 cessor thereto.”.

Passed the House of Representatives May 23, 2016.

Attest:

Clerk.

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