

# Union Calendar No. 458

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4139

[Report No. 114-588]

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

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IN THE HOUSE OF REPRESENTATIVES

DECEMBER 1, 2015

Ms. SINEMA (for herself and Mr. FITZPATRICK) introduced the following bill;  
which was referred to the Committee on Financial Services

MAY 23, 2016

Additional sponsor: Mr. DELANEY

MAY 23, 2016

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

# **A BILL**

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,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Fostering Innovation  
5 Act of 2015”.

6 **SEC. 2. TEMPORARY EXEMPTION FOR LOW-REVENUE**  
7 **ISSUERS.**

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

11       “(d) TEMPORARY EXEMPTION FOR LOW-REVENUE  
12 ISSUERS.—

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

16                       “(A) ceased to be an emerging growth  
17 company on the last day of the fiscal year of  
18 the issuer following the fifth anniversary of the  
19 date of the first sale of common equity securi-  
20 ties of the issuer pursuant to an effective reg-  
21 istration statement under the Securities Act of  
22 1933;

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

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

2           “(2) EXPIRATION OF TEMPORARY EXEMP-  
3           TION.—An issuer ceases to be eligible for the exemp-  
4           tion described under paragraph (1) at the earliest  
5           of—

6           “(A) the last day of the fiscal year of the  
7           issuer following the tenth anniversary of the  
8           date of the first sale of common equity securi-  
9           ties of the issuer pursuant to an effective reg-  
10          istration statement under the Securities Act of  
11          1933;

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

15          “(C) the date on which the issuer becomes  
16          a large accelerated filer.

17          “(3) DEFINITIONS.—For purposes of this sub-  
18          section:

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

24          “(B) EMERGING GROWTH COMPANY.—The  
25          term ‘emerging growth company’ has the mean-

1           ing given such term under section 3 of the Se-  
2           curities Exchange Act of 1934 (15 U.S.C. 78c).

3           “(C) LARGE ACCELERATED FILER.—The  
4           term ‘large accelerated filer’ has the meaning  
5           given that term under section 240.12b–2 of title  
6           17, Code of Federal Regulations, or any suc-  
7           cessor thereto.”.

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