

bipartisan cooperation in fixing this part of the JOBS Act.

In conclusion, it is my hope that this House will pass this good, commonsense measure.

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

Mr. CARTER of Georgia. Mr. Speaker, I rise today in support of H.R. 1334, the Holding Company Registration Threshold Equalization Act of 2015.

In 2012, Congress raised the threshold number of shareholders a bank can have before they must register with Securities and Exchange Commission from 500 to 2,000.

At the same time, Congress raised the threshold for bank shareholders from 300 to 1,200 before a bank could deregister for the Securities and Exchange Commission and convert to a private bank.

However, due to a drafting oversight, these raised thresholds currently do not apply to savings and loan institutions.

These institutions are vital for the continued development and growth of our economy.

For a large segment of American homeowners, savings and loan institutions are the primary source of financial assistance for purchasing a home.

Some would say that the structure in which these companies are built is the same structure that our country was built. They are generally locally owned and privately managed; and communities use these businesses as a savings institution and use these funds to help other individuals in the community construct, purchase, repair, or refinance their home.

With a locally owned, community driven foundation, it is wrong to subject these businesses to the same level of oversight and regulation as a large bank without affording them the same registration and deregistration thresholds.

I support this bill because I believe Congress must use every effort to build up the American people on a local level. We are not going to grow our economy from Washington, D.C., but we can create an environment on a state and local level that empowers Americans to grow themselves.

I would like to thank my colleague from Arkansas, Mr. WOMACK, for his hard work on this issue and I urge my colleagues to support this bill.

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. 1334.

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

A motion to reconsider was laid on the table.

#### SMALL COMPANY SIMPLE REGISTRATION ACT OF 2015

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1723) to direct the Securities and Exchange Commission to revise Form S-1 so as to permit smaller reporting companies to use forward incorporation by reference for such form.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1723

*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 “Small Company Simple Registration Act of 2015”.

#### SEC. 2. FORWARD INCORPORATION BY REFERENCE FOR FORM S-1.

Not later than 45 days after the date of the enactment of this Act, the Securities and Exchange Commission shall revise Form S-1 so as to permit a smaller reporting company (as defined in section 230.405 of title 17, Code of Federal Regulations) to incorporate by reference in a registration statement filed on such form any documents that such company files with the Commission after the effective date of such registration statement.

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 include extraneous material on this 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 yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1723, the Small Company Simple Registration Act. I would like to thank Representative WAGNER and Representative SEWELL for their efforts to successfully move this legislation through the Financial Services Committee on a unanimous, bipartisan vote.

H.R. 1723 simplifies the registration process by amending the SEC’s form S-1 registration statement, the basic registration form for new securities offerings, to allow smaller reporting companies to incorporate by reference any documents filed with the SEC after the effective date of the form S-1.

This forward incorporation by reference eliminates the need for filing excessive paperwork with each subsequent filing, thereby lowering compliance costs associated with filing redundant paperwork. Streamlining this requirement allows eligible companies to direct more resources to growing their business.

H.R. 1723 is consistent with the recommendations of the SEC’s Government-Business Forum on Small Business Capital Formation final report and has been endorsed by several witnesses before the Capital Markets Subcommittee.

For example, Tom Quaadman of the United States Chamber of Commerce testified that, by enacting H.R. 1723, smaller companies can use forward incorporation as a way to streamline disclosures and get the information to investors without repetitive disclosures.

He went on to say that the explosion of disclosures for smaller companies isn’t providing material information to investors.

Additionally, Professor John Coffee with Columbia University Law School previously testified that, for some time, the SEC’s Government-Business Forum on Small Business Capital Formation has called for changes to permit smaller reporting companies that have filed a form S-1 to incorporate, by reference, documents filed with the SEC. I believe this one does have real efficiency justifications and could help smaller issuers.

H.R. 1723 is a commonsense update to our securities laws that will more appropriately tailor their requirement for smaller companies. I ask my colleagues to join me in supporting H.R. 1723.

I reserve the balance of my time.

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

Mr. Speaker, H.R. 1723, the Small Company Simple Registration Act of 2015 is a commonsense provision to help smaller companies avoid having to obtain an audit related to a filing that is itself already audited. The bill would no longer require a company to amend its registration statement when it issues a quarterly or annual filing.

Although one witness noted the concern that all information would no longer be reflected in a single document, she recommended that the SEC’s public filing system be improved and that the issuer be required to post the registration statement on its Web site, complete with hyperlinks to the documents that are incorporated by reference. This seems like a reasonable approach. I believe that the SEC can do both and likely would if H.R. 1723 is passed.

This one change has the potential to help companies save \$10,000, and with all SEC filings able to be quickly found online, it does not diminish investor protections in any way.

Last Congress, this provision was unfortunately attached to a larger bill that did not make a lot of sense. I am glad to see it has now been offered on its own, as I think it now has a much better likelihood of moving to the President’s desk. I certainly support the adoption of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. WAGNER), who is the author of this bill.

Mrs. WAGNER. Mr. Speaker, I thank my colleague, Mr. HURT, for yielding.

I am glad that the House is taking up H.R. 1723, the Small Company Simple Registration Act, which will take a much-needed step in helping remove financial barriers and make it more efficient for small businesses to go public.

This bipartisan legislation, which I have sponsored with Ms. TERRI SEWELL from Alabama and which was approved by the House Financial Services Committee on a completely unanimous

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 re-filing the form S–1 again and again.

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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: