SDRs as they are called, so that regulators and market participants have access to realtime market data that will help identify systemic risk in the financial system. So far, we have made great strides in reaching this goal, but, unfortunately, a provision in the law threatens to undermine our progress unless we fix it.

Currently, Dodd-Frank requires a provision requiring a foreign regulator to indemnify a U.S.-based SDR from any expenses arising from litigation relating to a request from market data. While the intent of the provision was to protect market confidentiality, in practice, it threatens to fragment global data on swap markets because it is a major stumbling block to our regulators' abilities to coordinate with foreign counterparts.

The intended result is a fragmented global data framework where regulators were unable to see a complete picture of the marketplace. Without effective coordination between international regulators and SDRs, monitoring and mitigating global systematic risk is severely limited.

My bill fixes this problem by removing the indemnification provisions in Dodd-Frank. This legislation has broad bipartisan support and passed the House by an overwhelming vote of 420–2 in the last Congress, as Chairman SCOTT indicated. Additionally, both the SEC and CFTC are on record supporting this bill.

If left unresolved, the indemnification provision in Dodd-Frank has the potential to reduce transparency in the over-the-counter derivatives markets and undo the great progress already being made through the cooperative efforts of more than 50 regulators worldwide.

In passing this legislation, we ensure that regulators will have access to a global set of swap market data, which is essential to maintaining the highest degree of market transparency and risk mitigation.

I strongly urge my colleagues to vote ''yes'' on this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Wisconsin (Ms. MOORE), who happens to be the ranking member for the Subcommittee on Monetary Policy and Trade.

□ 1445

Ms. MOORE. Mr. Speaker, I thank the madam ranking member for this opportunity to speak on H.R. 1847.

I also want to thank all of my cosponsors on this legislation: Representative HUIZENGA, Representative CRAWFORD, and Representative SEAN PATRICK MALONEY.

Mr. Speaker, the House Financial Services and Agriculture Committees passed this legislation with bipartisan support and without controversy in 2013, 2014, and 2015. This bill has passed the House several times with overwhelming margins, and it is supported by the SEC.

At the Bipartisan Policy Center's 5-year look-back at Dodd-Frank just last week, the question was put to former Commodity Futures Trading Commissioner Jill Sommers: What is yet to be done in Dodd-Frank that needs to be done? Her answer: fixing the indemnification provision.

Here we are today, and we have an opportunity to do this with that bill. Let me try to make this really simple.

A major objective of the Dodd-Frank Act was to improve transparency and to eliminate systemic risk mitigation in global derivatives markets. This bill is a technical fix to ensure that the goal of swaps transparency is realized.

In fact, Dodd-Frank requires post-trade reporting to swap data repositories. During the crisis, these SDRs did not exist.

As a matter of fact, to quote Warren Buffett when he described the situation we were in, he said:

> Only when the tide goes out do you discover who has been swimming naked.

This is a really important feature in Dodd-Frank. However, as written, a provision threatens the reporting regime and threatens to fragment the collection of data by imposing an unnecessary requirement on foreign SDRs and regulators that would impede compliance.

By eliminating this unnecessary requirement, this bill makes it possible to achieve the goal of bringing comprehensive swap trade information, transparency, and oversight to the global derivatives markets.

Regardless of your position on derivatives or on Dodd-Frank, this bill makes sense, and I urge all of my colleagues to support it.

Ms. MAXINE WATERS of California. Mr. Speaker, I have no additional speakers.

I yield back the balance of my time.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, in closing, I want to thank both the Democrats and the Republicans who have worked on this.

The House has acted several times in a bipartisan manner on this legislation—420–2 on very similar legislation. We have passed this multiple times; so I would just encourage all Members to support this piece of legislation.

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. 1847, as amended.

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

A motion to reconsider was laid on the table.

IMPROVING ACCESS TO CAPITAL FOR EMERGING GROWTH COMPANIES ACT

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2064) to amend certain provisions of the securities laws relating to the treatment of emerging growth companies, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2064

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 ''Improving Access to Capital for Emerging Growth Companies Act''.

SEC. 2. FILING REQUIREMENT FOR PUBLIC FILING PRIOR TO PUBLIC OFFERING.

Section 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1)) is amended by striking ''21 days'' and inserting ''15 days''.

SEC. 3. GRACE PERIOD FOR CHANGE OF STATUS OF EMERGING GROWTH COMPANIES.

Section 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1)) is further amended by adding at the end the following: ''An issuer that was an emerging growth company at the time it submitted a confidential registration statement or, in lieu thereof, a publicly filed registration statement for review under this subsection but ceases to be an emerging growth company thereafter shall continue to be treated as an emerging market growth company for the purposes of this subsection through the earlier of the date on which the issuer consummates its initial public offering pursuant to such registrations statement or the end of the 1-year period beginning on the date the company ceases to be an emerging growth company.''.

SEC. 4. SIMPLIFIED DISCLOSURE REQUIREMENTS FOR EMERGING GROWTH COMPANIES.

Section 102 of the Jumpstart Our Business Startups Act (Public Law 112–106) is amended by adding at the end the following:

''(d) SIMPLIFIED DISCLOSURE REQUIREMENTS.—With respect to an emerging growth company (as such term is defined under section 2 of the Securities Act of 1933):

''(1) REQUIREMENT TO INCLUDE NOTICE ON FORMS S–1 AND F–1.—Not later than 30 days after the date of enactment of this subsection, the Securities and Exchange Commission shall revise its general instructions on Forms S–1 and F–1 to indicate that a registration statement filed (or submitted for confidential review) by an issuer prior to an initial public offering may omit financial information for historical periods otherwise required by regulation S–X (17 C.F.R. 210.1–01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

''(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S–1 or F–1 at the time of the contemplated offering; and

''(B) prior to the issuer distributing a preliminary prospectus to investors, such registration statement is amended to include all financial information required by such regulation S–X at the date of such amendment.

''(2) RELIANCE BY ISSUERS.—Effective 30 days after the date of enactment of this subsection, an issuer filing a registration statement (or submitting the statement for confidential review) on Form S–1 or Form F–1 may omit financial information for historical periods otherwise required by regulation S–X (17 C.F.R. 210.1–01 et seq.) as of the time of filing (or confidential submission) of such registration statement, provided that—

''(A) the omitted financial information relates to a historical period that the issuer reasonably believes will not be required to be included in the Form S–1 or Form F–1 at the time of the contemplated offering; and

''(B) prior to the issuer distributing a preliminary prospectus to investors, such registration

statement is amended to include all financial information required by such regulation S–X at the date of such amendment.''.

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 to 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.

I rise in support of H.R. 2064, the Improving Access to Capital for Emerging Growth Companies Act.

I would like to thank the ranking member for her support of this good legislation. I would also like to thank Representative FINCHER and Representative DELANEY for their efforts to successfully move this legislation through the Financial Services Committee on a unanimous, bipartisan vote.

Mr. Speaker, a key component of the JOBS Act was the so-called IPO—the initial public offering—on-ramp provisions of title I, which created a new classification of public company known as an emerging growth company.

Emerging growth company status allows smaller companies that are accessing capital in the public markets to utilize streamlined registration and reporting requirements for up to 5 years after their initial public offerings.

In doing so, emerging growth companies are able to spend fewer resources in complying with costly regulations that are designed for the largest public companies.

Just over 3 years since the JOBS Act's enactment, we continue to witness the successful results of its implementation. In 2014, emerging growth companies represented 86 percent of the 288 initial public offerings, allowing those companies to raise over $42 billion in capital.

That capital represents real dollars that can be used by these companies to invest in research and development, in innovative products, and, most importantly, in new jobs in their communities.

While these numbers are encouraging, more can still be done to incentivize companies to access capital in our public markets.

H.R. 2064 will decrease the required time for a confidential registration statement to be on file with the SEC before an emerging growth company may conduct a road show from 21 days to 15 and will further streamline disclosure requirements for emerging growth companies. These targeted changes to the Federal securities laws will make IPOs even more appealing to emerging growth companies.

One witness at a previous Capital Markets and Government Sponsored Enterprises Subcommittee hearing commented:

We support this bill as it creates generally greater optionality for issuers without altering the ultimate level of required disclosure to investors. This bill is in keeping with the philosophy that underlies title I of the JOBS Act and the creation of safe harbors, such as ''testing the waters'' and ''confidential filings.'' We believe, for example, that providing issuers with the ability to file without full financial statements will cut issuer time-to-market, which is beneficial in mitigating market risk and speeding access to capital.

I ask that my colleagues join me in supporting H.R. 2064.

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

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

The Improving Access to Capital for Emerging Growth Companies Act is a good bill and is the product of bipartisan compromise. The bill was amended last year to address certain investor protection concerns while still retaining key relief for small businesses.

H.R. 2064 amends title I of the Jumpstart Our Business Start-Ups Act of 2012, to provide emerging growth companies—that is, EGCs—with additional flexibility when going public.

During a hearing on this bill in the Capital Markets and Government Sponsored Enterprises Subcommittee, one witness expressed concerns that 2 years of financial statements are necessary for the SEC to compare years during its review, and, at a minimum, issuers should be required to provide what they have.

My fear is that, if a company were allowed to delay its filing, as this bill would allow, it would only likely delay the SEC's review, resulting in no real benefit to the issuer.

I would also like to emphasize the problem Congress gets into when it preempts the regulators by trying to issue rules by legislation. When we get it wrong, it takes another act of Congress to fix it. However, I support this legislation today because it seems as if a consensus has emerged that this technical fix is appropriate.

I reserve the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. FINCHER), a coauthor of this legislation.

Mr. FINCHER. Mr. Speaker, I rise today in support of H.R. 2064, the Improving Access to Capital for Emerging Growth Companies Act.

I was pleased to introduce this legislation with my colleague, Congressman JOHN DELANEY of Maryland.

This legislation builds upon the success of the original bipartisan JOBS Act, which I worked on, that created a new category of stock offering for emerging growth companies, which have proven to be a major new source of job creation for the 21st century.

Job creation is the number one reason to support this legislation. As companies are able to expand and go public, they are able to hire more employees and to ultimately invest more in our economy.

Our bill makes important changes to the registration process to ensure that these companies have the most efficient, streamlined access to the market.

Shortening the 21-day filing period to 15 days would save companies exposure to some market volatility before public launch.

The purpose of the 21-day period is to allow the information about the EGC IPO to disseminate to the public before purchase orders are taken on the EGC's stock, but with today's technology, the current 21-day quiet period is unnecessarily long.

The shortened time period would allow the benefit of clearer visibility in market conditions and would save companies from having to update financials and other disclosure before public launch.

Additionally, the bill calls for a grace period of the JOBS Act protections to an issuer who loses EGC status mid-IPO process. Under current law, if a company exceeds the EGC status criteria during the IPO process, it no longer qualifies for the designation.

This discourages a borderline EGC which may be considering going public from making an offering. The grace period would allow an issuer who qualifies as an EGC at the time of filing its confidential registration statement for review to continue to be treated as an EGC through the date on which it completes its initial public offering or 1 year has passed, whichever comes first.

Finally, the bill would permit EGCs to avoid incurring the significant expense and effort of preparing and having audited financials and related disclosures for past periods that will not be included in the prospectus to investors.

This legislation was reported out of committee unanimously, and I urge my colleagues on both sides of the aisle to support the passage of H.R. 2064 today.

This is a simple adjustment to reduce the burdens placed on smaller companies that are trying to access the market, grow their businesses, and hire more employees.

Now more than ever, as Members of Congress, we need to be focused on ways to facilitate job creation. This bill is an important step in that direction.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. DELANEY).

It is because of his leadership not only on this issue, but on small business, the opportunities of EGCs, and the fact that his negotiations on this legislation led us to bipartisan support.

Mr. DELANEY. I want to thank the ranking member for her support and leadership on this legislation. I also want to thank the gentleman from Virginia for his support.

Most importantly, I want to thank my friend, the gentleman from Tennessee, for giving me the opportunity to coauthor this piece of legislation with him.

Mr. Speaker, emerging growth companies that raise capital from private investors have two options available to them to give their investors a return. The first option is to take the company public, and the second option is to sell the business.

The data overwhelmingly suggests that, when companies go public, the companies are very likely to take the capital they raise in a public offering, invest it in the business, create jobs, and hire Americans, as compared to when companies are sold, which are often done for strategic reasons that are based on consolidations and often result in jobs being lost.

So, while companies are completely free to make whatever choices they want to make, we, as policymakers, should certainly be trying to level the playing field as it relates to initial public offerings in order to make them more accessible for emerging growth companies, particularly if they can be done without compromising investor protection. I believe strongly that H.R. 2064 does, in fact, do that.

My colleague from Tennessee went through the specifics in terms of the processes that are being improved by the bill.

I have some firsthand experience with this process in having started two businesses in the private sector and in having taken them both public on the New York Stock Exchange, experiences that taught me that a company's initial public offering, as it relates to due diligence and scrutiny and oversight, is the day when they have the most focus by regulators and investors and underwriters.

□ 1500

So it is certainly a time where we have an opportunity for more flexibility around timing, which I believe this bill does and will do successfully. It will lead to more initial public offerings. It will hopefully reverse the trends that we have seen across the last several decades where the number of initial public offerings have decreased.

As I said in my opening comments, the more IPOs we have, the more likely companies are to invest in their businesses, create jobs and hire Americans. It is good for our economy. I urge my colleagues to support H.R. 2064.

Mr. HURT of Virginia. Mr. Speaker, there are very few people in Congress today who have worked harder and understand better the importance of access to capital for our small businesses and for job creation than does the chairman of our Subcommittee on Capital Markets and Government Sponsored Enterprises.

I yield such time as he may consume to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT. Mr. Speaker, I thank the vice chairman for those remarks.

I do in fact rise in support of the bill, H.R. 2064, the Improving Access to Capital for Emerging Growth Companies, EGCs. I also want to thank my friend Mr. DELANEY and my other friend Mr. FINCHER for their hard work on the underlying piece of legislation.

As we said before, because of the JOBS Act, we have seen a significant increase, a resurgence, if you will, in initial public offerings, with 2014 being the best year for IPOs in more than a decade now. If you look back, study after study has shown that job creation expands significantly once a company goes public.

So Congress then should do what? We should do more to reduce the burdens on these small and growing companies that want access to the markets and want access there to capital and want access, therefore, to grow and expand and create job creation. That is exactly what this legislation does.

H.R. 2064 would expand upon the success of the JOBS Act by making significant improvements in title I of that bill, including reducing the number of days that an emerging growth company would have to wait before commencing with the so-called road shows once it files with the SEC, and it would significantly reduce and simplify the financial disclosures that go along with it.

These are targeted and incremental changes that reflect the feedback and input that the Committee on Financial Services—the members who have supported it, the vice chairman as well—has received since the JOBS Act was passed back in 2012.

We had a number of hearings on this, and one witness told our committee: "This bill is in keeping with the philosophy that underlies title I of the JOBS Act, and the creation of safe harbors such as 'Testing the Waters' and 'Confidential Filings.' . . . providing issuers with the ability to file without financial statements will cut issuer time-to-market which is," at the end of the day, "beneficial in mitigating market risk and speeding access to capital."

With that said, by removing some of the ongoing hurdles to going public, this bill, H.R. 2064, would help promote growth and help promote job creation throughout our entire country, our entire economy. Therefore, I urge its swift passage.

Ms. MAXINE WATERS of California. Mr. Speaker, I think that this is the last bill that we are taking up on suspension today. What you have seen is a fine example of both sides of the aisle working to do the best thing that we could possibly do for our constituents.

There have been bills that were presented today that were suspect, perhaps, when they first were introduced; there were bills today where we had technical corrections; there were bills today where we had bipartisan support where we never thought we would get bipartisan support. I would like the work that we have done on the floor today to demonstrate that we do have the ability to work together in the best interests of the citizens of this country; and to the degree that we understand that even in Dodd-Frank where there may still be some concerns, that we can be civil about it, that we can be considerate about it, and that we recognize that not only may there may be places for technical corrections in Dodd-Frank, but in the JOBS Act and other bills that we have heard today and that we will hear in the future.

I am very pleased to have been a part of the work that we have done here on this floor today to get together in a bipartisan way, again, to act in the best interests of all of the people of this country.

I yield back the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I want to thank the ranking member again and those on her side of the aisle for looking for ways we can work together for job creation and streamlining of the regulatory structure as it relates to our financial markets.

I represent Virginia's Fifth District, and over the last 10, 20 years, we have seen a tremendous amount of high unemployment. I would suggest to you that legislation like the legislation that Representative FINCHER and Representative DELANEY have put forward today is the kind of legislation that will lead to more private capital on Main Street all across the Fifth District of Virginia and all across America. I would suggest to you that that is why this bill deserves the full support from the House of Representatives today.

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. 2064, as amended.

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

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

H.R. 251, by the yeas and nays;

H.R. 2997, by the yeas and nays;

H.R. 1723, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.