

115TH CONGRESS  
2D SESSION

**H. R. 5970**

---

**AN ACT**

To require the Securities and Exchange Commission to carry out a cost benefit analysis of the use of Form 10-Q 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,*

1 **SECTION 1. SHORT TITLE.**

2        This Act may be cited as the “Modernizing Disclo-  
3    sures for Investors Act”.

4 **SEC. 2. FORM 10-Q ANALYSIS.**

5        (a) IN GENERAL.—The Securities and Exchange  
6    Commission shall conduct an analysis of the costs and  
7    benefits of requiring reporting companies to use Form 10–  
8    Q for submitting quarterly financial reports. Such analysis  
9    shall consider—

10            (1) the costs and benefits of Form 10–Q to  
11    emerging growth companies;

12            (2) the costs and benefits of Form 10–Q to the  
13    Commission in terms of its ability to protect inves-  
14    tors, maintain fair, orderly, and efficient markets,  
15    and facilitate capital formation;

16            (3) the costs and benefits of Form 10–Q to  
17    other reporting companies, investors, market re-  
18    searchers, and other market participants, including  
19    the costs and benefits associated with—

20                    (A) the public availability of the informa-  
21    tion required to be filed on Form 10–Q;

22                    (B) the use of a standardized reporting  
23    format across all classes of reporting compa-  
24    nies; and

25                    (C) the quarterly disclosure by some com-  
26    panies of financial information in formats other

1           than Form 10–Q, such as a quarterly earnings  
2           press release;

3           (4) the costs and benefits of alternative formats  
4           for quarterly reporting for emerging growth compa-  
5           nies to emerging growth companies, the Commission,  
6           other reporting companies, investors, market re-  
7           searchers, and other market participants; and

8           (5) the expected impact of the use of alternative  
9           formats of quarterly reporting by emerging growth  
10           companies on overall market transparency and effi-  
11           ciency.

12           (b) REPORT REQUIRED.—Not later than 180 days  
13           after the date of enactment of this Act, the Commission  
14           shall issue a report to Congress that includes—

15           (1) the results of the analysis required by sub-  
16           section (a); and

17           (2) recommendations for decreasing costs, in-  
18           creasing transparency, and increasing efficiency of  
19           quarterly financial reporting by emerging growth  
20           companies.

Passed the House of Representatives July 10, 2018.

Attest:

*Clerk.*

115TH CONGRESS  
2D SESSION

---

---

# **H. R. 5970**

---

## **AN ACT**

To require the Securities and Exchange Commission to carry out a cost benefit analysis of the use of Form 10-Q and for other purposes.