

## Union Calendar No. 835

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

# H. R. 6130

**[Report No. 115–1076]**

To provide for a 5 year extension of certain exemptions and reduced disclosure requirements for companies that were emerging growth companies and would continue to be emerging growth companies but for the 5-year restriction on emerging growth companies, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2018

Mr. ROTHFUS introduced the following bill; which was referred to the  
Committee on Financial Services

DECEMBER 12, 2018

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

# **A BILL**

To provide for a 5 year extension of certain exemptions and reduced disclosure requirements for companies that were emerging growth companies and would continue to be emerging growth companies but for the 5-year restriction on emerging growth companies, 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,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Helping Startups Con-  
5 tinue to Grow Act”.

6 **SEC. 2. ON-RAMP EXTENSION.**

7       (a) DEFINITION OF A RECENT EMERGING GROWTH  
8 COMPANY.—

9           (1) SECURITIES ACT OF 1933.—Section 2(a) of  
10 the Securities Act of 1933 (15 U.S.C. 77b(a)) is  
11 amended by adding at the end the following:

12           “(20) RECENT EMERGING GROWTH COM-  
13 PANY.—The term ‘recent emerging growth company’  
14 means an issuer that—

15           “(A) was, but is no longer, an emerging  
16 growth company;

17           “(B) would continue to be an emerging  
18 growth company but for the application of sub-  
19 paragraph (B) of paragraph (19); and

20           “(C) ceased to be an emerging growth  
21 company within the previous 5-year period.”.

22           (2) SECURITIES EXCHANGE ACT OF 1933.—Sec-  
23 tion 3(a) of the Securities Exchange Act of 1934  
24 (15 U.S.C. 78c(a)) is amended—

1 (A) by redesignating the second paragraph  
2 (80) as paragraph (81); and

3 (B) by adding at the end the following:

4 “(82) RECENT EMERGING GROWTH COM-  
5 PANY.—The term ‘recent emerging growth company’  
6 means an issuer that—

7 “(A) was, but is no longer, an emerging  
8 growth company;

9 “(B) would continue to be an emerging  
10 growth company but for the application of sub-  
11 paragraph (B) of paragraph (80); and

12 “(C) ceased to be an emerging growth  
13 company within the previous 5-year period.”.

14 (b) STREAMLINED FINANCIAL DISCLOSURES.—

15 (1) SECURITIES ACT OF 1933.—Section 7(a)(2)  
16 of the Securities Act of 1933 (15 U.S.C. 77g(a)(2))  
17 is amended—

18 (A) by inserting after “An emerging  
19 growth company” the following: “and a recent  
20 emerging growth company”; and

21 (B) in subparagraph (A)—

22 (i) by striking “such emerging growth  
23 company” and inserting “such company”;  
24 and

1 (ii) by striking “an emerging growth  
2 company” and inserting “such company”.

3 (2) SECURITIES EXCHANGE ACT OF 1934.—Sec-  
4 tion 13(a) of the Securities Exchange Act of 1934  
5 (15 U.S.C. 78m(a)) is amended by adding at the  
6 end the following: “The previous sentence shall  
7 apply, to the same extent as such sentence applies  
8 to an emerging growth company, to a recent emerg-  
9 ing growth company.”.

10 (3) OTHER DISCLOSURES.—A recent emerging  
11 growth company (as defined under section 2 of the  
12 Securities Act of 1933) may comply with section  
13 229.303(a) of title 17, Code of Federal Regulations,  
14 or any successor thereto, by providing information  
15 required by such section with respect to the financial  
16 statements of the company for each period presented  
17 pursuant to section 7(a) of the Securities Act of  
18 1933 (15 U.S.C. 77g(a)). Such a company may com-  
19 ply with section 229.402 of title 17, Code of Federal  
20 Regulations, or any successor thereto, by disclosing  
21 the same information as any issuer with a market  
22 value of outstanding voting and nonvoting common  
23 equity held by non-affiliates of less than  
24 \$75,000,000.

1 (c) DRAFT REGISTRATION STATEMENTS.—Section  
2 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1))  
3 is amended by striking “emerging growth company” each  
4 place such term appears and inserting “emerging growth  
5 company or recent emerging growth company”.

6 (d) EXECUTIVE COMPENSATION DISCLOSURES.—

7 (1) CERTAIN SHAREHOLDER DISCLOSURES.—  
8 Section 14A(e)(2) of the Securities Exchange Act of  
9 1934 (15 U.S.C. 78n–1(e)) is amended—

10 (A) in subparagraph (A), by striking “An  
11 emerging growth company” and inserting the  
12 following “Any emerging growth company or re-  
13 cent emerging growth company”; and

14 (B) in subparagraph (B)—

15 (i) in the heading, by striking “TER-  
16 MINATION OF EMERGING GROWTH COM-  
17 PANY TREATMENT” and inserting “EXEMP-  
18 TION”;

19 (ii) by striking “an emerging growth  
20 company but is no longer an emerging  
21 growth company” and inserting “exempt  
22 under subparagraph (A) but is no longer  
23 exempt”; and

1 (iii) in clause (ii), by inserting before  
2 the period the following: “or a recent  
3 emerging growth company”.

4 (2) PAY RATIO DISCLOSURES.—Section  
5 953(b)(1) of the Investor Protection and Securities  
6 Reform Act of 2010 (15 U.S.C. 78l note) is amend-  
7 ed, by striking “, as that term is defined in” and in-  
8 serting “or a recent emerging growth company, as  
9 such terms are defined, respectively, under”.

10 (3) PAY VS. PERFORMANCE DISCLOSURES.—  
11 Section 14(i) of the Securities Exchange Act of 1934  
12 (15 U.S.C. 78n(i)) is amended by inserting after  
13 “emerging growth company” the following: “or a re-  
14 cent emerging growth company”.

15 (4) SIMPLIFIED EXECUTIVE COMPENSATION  
16 DISCLOSURES.—The Securities and Exchange Com-  
17 mission shall amend section 229.402(l) of title 17,  
18 Code of Federal Regulations, to permit a recent  
19 emerging growth company (as defined under section  
20 2 of the Securities Act of 1933) to make use of the  
21 same scaled disclosures for executive compensation  
22 that are available pursuant to such section for small-  
23 er reporting companies and emerging growth compa-  
24 nies.

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