

Hurt

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4164
OFFERED BY MR. HURT AND MS. SEWELL**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Company Dislo-
3 sure Simplification Act”.

4 **SEC. 2. EXEMPTION FROM XBRL REQUIREMENTS FOR**
5 **EMERGING GROWTH COMPANIES AND OTHER**
6 **SMALLER COMPANIES.**

7 (a) EXEMPTION FOR EMERGING GROWTH COMPA-
8 NIES.—Emerging growth companies are exempted from
9 the requirements to use Extensible Business Reporting
10 Language (XBRL) for financial statements and other
11 periodic reporting required to be filed with the Commis-
12 sion under the securities laws. Such companies may elect
13 to use XBRL for such reporting.

14 (b) EXEMPTION FOR OTHER SMALLER COMPA-
15 NIES.—Issuers with total annual gross revenues of less
16 than \$250,000,000 are exempt from the requirements to
17 use XBRL for financial statements and other periodic re-
18 porting required to be filed with the Commission under

1 the securities laws. Such issuers may elect to use XBRL
2 for such reporting. An exemption under this subsection
3 shall continue in effect until—

4 (1) the date that is five years after the date of
5 enactment of this Act; or

6 (2) the date that is two years after a deter-
7 mination by the Commission, by order after con-
8 ducting the analysis required by section 3, that the
9 benefits of such requirements to such issuers out-
10 weigh the costs, but no earlier than three years after
11 enactment of this Act.

12 (c) MODIFICATIONS TO REGULATIONS.—Not later
13 than 60 days after the date of enactment of this Act, the
14 Commission shall revise its regulations under parts 229,
15 230, 232, 239, 240, and 249 of title 17, Code of Federal
16 Regulations, to reflect the exemptions set forth in sub-
17 sections (a) and (b).

18 **SEC. 3. ANALYSIS BY THE SEC.**

19 The Commission shall conduct an analysis of the
20 costs and benefits to issuers described in section 2(b) of
21 the requirements to use XBRL for financial statements
22 and other periodic reporting required to be filed with the
23 Commission under the securities laws. Such analysis shall
24 include an assessment of—

1 (1) how such costs and benefits may differ from
2 the costs and benefits identified by the Commission
3 in the order relating to interactive data to improve
4 financial reporting (dated January 30, 2009; 74
5 Fed. Reg. 6776) because of the size of such issuers;

6 (2) the effects on efficiency, competition, capital
7 formation, and financing and on analyst coverage of
8 such issuers (including any such effects resulting
9 from use of XBRL by investors);

10 (3) the costs to such issuers of—

11 (A) submitting data to the Commission in
12 XBRL;

13 (B) posting data on the website of the
14 issuer in XBRL;

15 (C) software necessary to prepare, submit,
16 or post data in XBRL; and

17 (D) any additional consulting services or
18 filing agent services;

19 (4) the benefits to the Commission in terms of
20 improved ability to monitor securities markets, as-
21 sess the potential outcomes of regulatory alter-
22 natives, and enhance investor participation in cor-
23 porate governance and promote capital formation;
24 and

1 (5) the effectiveness of standards in the United
2 States for interactive filing data relative to the
3 standards of international counterparts.

4 **SEC. 4. REPORT TO CONGRESS.**

5 Not later than one year after the date of enactment
6 of this Act, the Commission shall provide the Committee
7 on Financial Services of the House of Representatives and
8 the Committee on Banking, Housing, and Urban Affairs
9 of the Senate a report regarding—

10 (1) the progress in implementing XBRL report-
11 ing within the Commission;

12 (2) the use of XBRL data by Commission offi-
13 cials;

14 (3) the use of XBRL data by investors;

15 (4) the results of the analysis required by sec-
16 tion 3; and

17 (5) any additional information the Commission
18 considers relevant for increasing transparency, de-
19 creasing costs, and increasing efficiency of regu-
20 latory filings with the Commission.

21 **SEC. 5. DEFINITIONS.**

22 As used in this Act, the terms “Commission”,
23 “emerging growth company”, “issuer”, and “securities

1 laws” have the meanings given such terms in section 3
2 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

