113TH CONGRESS
1ST SESSION

H. R.

To exempt smaller public companies from requirements relating to the use of Extensible Business Reporting Language for periodic reporting to the Securities and Exchange Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HURT (for himself and Ms. SOWEL of Alabama) introduced the following bill; which was referred to the Committee on

A BILL

To exempt smaller public companies from requirements relating to the use of Extensible Business Reporting Language for periodic reporting to the Securities and Exchange Commission, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Small Company Disclosure Simplification Act”.

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SEC. 2. EXEMPTION FROM XBRL REQUIREMENTS FOR
EMERGING GROWTH COMPANIES AND OTHER
SMALLER COMPANIES.

(a) EXEMPTION FOR EMERGING GROWTH COMPANIES.—Emerging growth companies are exempted from the requirements to use Extensible Business Reporting Language (XBRL) for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such companies may elect to use XBRL for such reporting.

(b) EXEMPTION FOR OTHER SMALLER COMPANIES.—Issuers with total annual gross revenues of less than $250,000,000 are exempt from the requirements to use XBRL for financial statements and other periodic reporting required to be filed with the Commission under the securities laws. Such issuers may elect to use XBRL for such reporting. An exemption under this subsection shall continue in effect until the later of—

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

(2) a determination by the Commission, by order after conducting the analysis required by section 3, that the benefits of such requirements to such issuers outweigh the costs.

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

SEC. 3. ANALYSIS BY THE SEC.

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

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

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

(3) the costs to such issuers of—

(A) submitting data to the Commission in XBRL;

(B) posting data on the website of the issuer in XBRL;
(C) software necessary to prepare, submit, or post data in XBRL; and

(D) any additional consulting services or filing agent services.

SEC. 4. REPORT TO CONGRESS.

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

(1) the progress in implementing XBRL reporting within the Commission;

(2) the use of XBRL data by Commission officials;

(3) the use of XBRL data by investors;

(4) the results of the analysis required by section 3; and

(5) any additional information the Commission considers relevant for increasing transparency, decreasing costs, and increasing efficiency of regulatory filings with the Commission.

SEC. 5. DEFINITIONS.

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