

M E M O R A N D U M

To: Members of the Committee on Financial Services

From: Financial Services Committee Majority Staff

Date: June 18, 2018

Subject: June 21, 2018 Full Committee Markup

The Committee on Financial Services will meet to mark up the following measures, in an order to be determined by the Chairman, at 2:00 pm on Thursday, June 21, and subsequent days if necessary, in room 2128 of the Rayburn House Office Building:

H.R. 5970, the *Modernizing Disclosures for Investors Act*

Introduced on May 24, 2018, by Representative Ann Wagner, H.R. 5790, the “Simplifying Disclosures for Investors Act”, as proposed to be modified by an amendment in the nature of a substitute, requires the U.S. Securities and Exchange Commission (SEC) to report to Congress within 120 days on SEC Form 10-Q, including optionality for the form for emerging growth companies (EGCs). Among other things, the SEC’s report shall include analysis of potential short form or alternative formats for Form 10-Q for EGCs, the costs and burdens on EGCs related to Form 10-Q compliance, and a study of investor use of Form 10-Q and modernization of investor information. The SEC also must provide to Congress within 180 days a proposal on Form 10-Q short form or alternative format optionality.

H.R. 6130, the *Helping Startups Continue to Grow Act*

Introduced on June 15, 2018, by Representative Keith Rothfus, H.R. 6130, the “Helping Startups Continue to Grow Act”, will expand the on-ramp for emerging growth companies (EGCs) by providing EGCs an additional five years of exemptions from certain disclosure requirements. The expansion is limited to EGCs that, after five years as an EGC, would continue to qualify as such but for the five-year restriction on EGC status.

H.R. ____, the *Improving Investment Research for Small and Emerging Issuers Act*

To be introduced on June 19, 2018 by Representatives Bill Huizenga and Maxine Waters, the “Improving Investment Research for Small and Emerging Issuers Act” requires the U.S. Securities and Exchange Commission (SEC) to report to Congress within 180 days after enactment on issues that affect the provision of and reliance upon investment research into small issuers, including emerging growth companies (EGCs) and pre-IPO companies. Among the issues the SEC must consider are factors related to the demand for such research by institutional and retail investors, cost considerations for such research, and the impact on the availability of research coverage for small issuers due to a variety of market and regulatory conditions. The SEC’s report must include recommendations to increase the demand for, volume of, and quality of investment research into small issuers, including EGCs.