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(Original Signature of Member)

115TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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

Mr. ROTHFUS introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**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”.

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

2 (a) DEFINITION OF A RECENT EMERGING GROWTH  
3 COMPANY.—

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

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

10 “(A) was, but is no longer, an emerging  
11 growth company;

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

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

17 (2) SECURITIES EXCHANGE ACT OF 1933.—Sec-  
18 tion 3(a) of the Securities Exchange Act of 1934  
19 (15 U.S.C. 78c(a)) is amended—

20 (A) by redesignating the second paragraph  
21 (80) as paragraph (81); and

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

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

1           “(A) was, but is no longer, an emerging  
2 growth company;

3           “(B) would continue to be an emerging  
4 growth company but for the application of sub-  
5 paragraph (B) of paragraph (80); and

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

8 (b) STREAMLINED FINANCIAL DISCLOSURES.—

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

12           (A) by inserting after “An emerging  
13 growth company” the following: “and a recent  
14 emerging growth company”; and

15           (B) in subparagraph (A)—

16           (i) by striking “such emerging growth  
17 company” and inserting “such company”;  
18 and

19           (ii) by striking “an emerging growth  
20 company” and inserting “such company”.

21           (2) SECURITIES EXCHANGE ACT OF 1934.—Sec-  
22 tion 13(a) of the Securities Exchange Act of 1934  
23 (15 U.S.C. 78m(a)) is amended by adding at the  
24 end the following: “The previous sentence shall  
25 apply, to the same extent as such sentence applies

1 to an emerging growth company, to a recent emerg-  
2 ing growth company.”.

3 (3) OTHER DISCLOSURES.—A recent emerging  
4 growth company (as defined under section 2 of the  
5 Securities Act of 1933) may comply with section  
6 229.303(a) of title 17, Code of Federal Regulations,  
7 or any successor thereto, by providing information  
8 required by such section with respect to the financial  
9 statements of the company for each period presented  
10 pursuant to section 7(a) of the Securities Act of  
11 1933 (15 U.S.C. 77g(a)). Such a company may com-  
12 ply with section 229.402 of title 17, Code of Federal  
13 Regulations, or any successor thereto, by disclosing  
14 the same information as any issuer with a market  
15 value of outstanding voting and nonvoting common  
16 equity held by non-affiliates of less than  
17 \$75,000,000.

18 (c) DRAFT REGISTRATION STATEMENTS.—Section  
19 6(e)(1) of the Securities Act of 1933 (15 U.S.C. 77f(e)(1))  
20 is amended by striking “emerging growth company” each  
21 place such term appears and inserting “emerging growth  
22 company or recent emerging growth company”.

23 (d) EXECUTIVE COMPENSATION DISCLOSURES.—

1           (1) CERTAIN SHAREHOLDER DISCLOSURES.—  
2           Section 14A(e)(2) of the Securities Exchange Act of  
3           1934 (15 U.S.C. 78n-1(e)) is amended—

4                   (A) in subparagraph (A), by striking “An  
5                   emerging growth company” and inserting the  
6                   following “Any emerging growth company or re-  
7                   cent emerging growth company”; and

8                   (B) in subparagraph (B)—

9                           (i) in the heading, by striking “TER-  
10                           MINATION OF EMERGING GROWTH COM-  
11                           PANY TREATMENT” and inserting “EXEMP-  
12                           TION”;

13                           (ii) by striking “an emerging growth  
14                           company but is no longer an emerging  
15                           growth company” and inserting “exempt  
16                           under subparagraph (A) but is no longer  
17                           exempt”; and

18                           (iii) in clause (ii), by inserting before  
19                           the period the following: “or a recent  
20                           emerging growth company”.

21           (2) PAY RATIO DISCLOSURES.—Section  
22           953(b)(1) of the Investor Protection and Securities  
23           Reform Act of 2010 (15 U.S.C. 78l note) is amend-  
24           ed, by striking “, as that term is defined in” and in-

1       serting “or a recent emerging growth company, as  
2       such terms are defined, respectively, under”.

3           (3) PAY VS. PERFORMANCE DISCLOSURES.—  
4       Section 14(i) of the Securities Exchange Act of 1934  
5       (15 U.S.C. 78n(i)) is amended by inserting after  
6       “emerging growth company” the following: “or a re-  
7       cent emerging growth company”.

8           (4) SIMPLIFIED EXECUTIVE COMPENSATION  
9       DISCLOSURES.—The Securities and Exchange Com-  
10      mission shall amend section 229.402(l) of title 17,  
11      Code of Federal Regulations, to permit a recent  
12      emerging growth company (as defined under section  
13      2 of the Securities Act of 1933) to make use of the  
14      same scaled disclosures for executive compensation  
15      that are available pursuant to such section for small-  
16      er reporting companies and emerging growth compa-  
17      nies.