To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 6, 2019

Mr. Meeks (for himself and Ms. Adams) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Improving Corporate Governance Through Diversity Act of 2019”.

SEC. 2. SUBMISSION OF DATA RELATING TO DIVERSITY BY ISSUERS.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following:
“(s) Submission of Data Relating to Diversity.—

“(1) Definitions.—In this subsection—

“(A) the term ‘executive officer’ has the meaning given the term in section 230.501(f) of title 17, Code of Federal Regulations, as in effect on the date of enactment of this subsection; and

“(B) the term ‘veteran’ has the meaning given the term in section 101 of title 38, United States Code.

“(2) Submission of Disclosure.—Each issuer required to file an annual report under subsection (a) shall disclose in any proxy statement and any information statement relating to the election of directors filed with the Commission the following:

“(A) Data, based on voluntary self-identification, on the racial, ethnic, and gender composition of—

“(i) the board of directors of the issuer;

“(ii) nominees for the board of directors of the issuer; and

“(iii) the executive officers of the issuer.
“(B) The status of any member of the board of directors of the issuer, any nominee for the board of directors of the issuer, or any executive officer of the issuer, based on voluntary self-identification, as a veteran.

“(C) Whether the board of directors of the issuer, or any committee of that board of directors, has, as of the date on which the issuer makes a disclosure under this paragraph, adopted any policy, plan, or strategy to promote racial, ethnic, and gender diversity among—

“(i) the board of directors of the issuer;

“(ii) nominees for the board of directors of the issuer; or

“(iii) the executive officers of the issuer.

“(3) ALTERNATIVE SUBMISSION.—In any 1-year period in which an issuer required to file an annual report under subsection (a) does not file with the Commission a proxy statement relating to the election of directors or an information statement, the issuer shall disclose the information required under paragraph (2) in the first annual report of issuer
that the issuer submits to the Commission after the end of that 1-year period.

“(4) BEST PRACTICES.—

“(A) IN GENERAL.—The Director of the Office of Minority and Women Inclusion of the Commission shall, not later than the end of the 3-year period beginning on the date of the enactment of this subsection and every three years thereafter, and in consultation with the advisory council established pursuant to subparagraph (C), publish best practices for compliance with this subsection.

“(B) COMMENTS.—The Director of the Office of Minority and Women Inclusion of the Commission may, pursuant to subchapter II of chapter 5 of title 5, United States Code, solicit public comments related to the best practices published under subparagraph (A).

“(C) ADVISORY COMMITTEE.—The Director of the Office of Minority and Women Inclusion of the Commission shall, pursuant to the Federal Advisory Committee Act, establish an advisory council, that includes issuers and in-
vestors, to advise on the best practices published under subparagraph (A).”.