

HR 1675

Capital Markets Improvement Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Mar 26, 2015

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban A

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Feb 4, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/1675>

Sponsor

Name: Rep. Hultgren, Randy [R-IL-14]

Party: Republican • **State:** IL • **Chamber:** House

Cosponsors (8 total)

| Cosponsor | Party / State | Role | Date Joined |
|---------------------------------------|---------------|------|--------------|
| Rep. Delaney, John K. [D-MD-6] | D · MD | | Mar 26, 2015 |
| Rep. Fitzpatrick, Michael G. [R-PA-8] | R · PA | | Mar 26, 2015 |
| Rep. Polis, Jared [D-CO-2] | D · CO | | Mar 26, 2015 |
| Rep. Higgins, Brian [D-NY-26] | D · NY | | Apr 22, 2015 |
| Rep. Sinema, Kyrsten [D-AZ-9] | D · AZ | | Apr 22, 2015 |
| Rep. Stivers, Steve [R-OH-15] | R · OH | | Apr 22, 2015 |
| Rep. Hurt, Robert [R-VA-5] | R · VA | | May 19, 2015 |
| Rep. Kind, Ron [D-WI-3] | D · WI | | Oct 13, 2015 |

Committee Activity

| Committee | Chamber | Activity | Date |
|-----------------------------------------------|---------|----------------------------|--------------|
| Banking, Housing, and Urban Affairs Committee | Senate | Referred To | Feb 4, 2016 |
| Financial Services Committee | House | Hearings By (subcommittee) | Apr 29, 2015 |

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

| Bill | Relationship | Last Action |
|------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 114 HR 5983 | Related bill | Dec 20, 2016: Placed on the Union Calendar, Calendar No. 693. |
| 114 HR 5019 | Related bill | May 9, 2016: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. |
| 114 HRES 595 | Related bill | Feb 3, 2016: Motion to reconsider laid on the table Agreed to without objection. |
| 114 HR 686 | Related bill | Jan 28, 2016: Placed on the Union Calendar, Calendar No. 303. |
| 114 HR 1965 | Related bill | Jan 28, 2016: Placed on the Union Calendar, Calendar No. 302. |
| 114 HR 2354 | Related bill | Jan 28, 2016: Placed on the Union Calendar, Calendar No. 306. |
| 114 HR 2356 | Related bill | Jan 28, 2016: Placed on the Union Calendar, Calendar No. 304. |
| 114 S 2132 | Related bill | Oct 6, 2015: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 251. |
| 114 S 1910 | Related bill | Jul 30, 2015: Placed on Senate Legislative Calendar under General Orders. Calendar No. 176. |
| 114 HR 1912 | Related bill | Apr 21, 2015: Referred to the House Committee on Financial Services. |
| 114 S 1010 | Related bill | Apr 20, 2015: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. |
| 114 S 576 | Related bill | Mar 24, 2015: Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment. Hearings held. With printed Hearing: S.Hrg. 114-16. |
| 114 HR 37 | Related bill | Jan 16, 2015: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. |

Capital Markets Improvement Act of 2016

TITLE I--ENCOURAGING EMPLOYEE OWNERSHIP

(Sec. 101) This bill directs the Securities and Exchange Commission (SEC) to revise regulations to require an issuer to furnish investors with additional specified disclosures regarding compensatory benefit plans if the aggregate sales price or amount of securities sold during any consecutive 12-month period exceeds \$10 million (currently \$5 million), indexed for inflation every five years.

TITLE II--FAIR ACCESS TO INVESTMENT RESEARCH

(Sec. 201) The SEC shall revise a specified regulation to create a safe harbor for certain publications or distributions of research reports by brokers or dealers distributing securities.

The revised regulation shall declare that, even if a broker or dealer participates in the registered offering of a covered investment fund's securities, the investment fund research report shall not be deemed to constitute an offer for sale nor an offer to sell a security that is the subject of the offering pursuant to a registration statement that the issuer proposes to file, or has filed, or that is effective.

The covered investment fund research report shall be deemed to satisfy the regulation's requirements as well as those of any self-regulatory organization.

The SEC shall not impose specified conditions and requirements when implementing the safe harbor.

TITLE III--SMALL BUSINESS MERGERS, ACQUISITIONS, SALES, AND BROKERAGE SIMPLIFICATION

(Sec. 301) The Securities Exchange Act of 1934 is amended to exempt from its registration requirements certain merger and acquisition brokers and associated persons.

This registration exemption, however, shall be denied to brokers who:

- receive, hold, transmit, or have custody of any funds or securities to be exchanged by parties to a transfer of ownership of an eligible privately held company;
- engage on behalf of an issuer in a public offering of securities that are either subject to mandatory registration, or with respect to which the issuer must file periodic information, documents, and reports; or
- engage on behalf of any party in a transaction involving a public shell company.

A broker shall not be exempt from registration if the broker is subject to:

- a suspension or revocation of registration;
- a specified statutory disqualification;
- a disqualification under certain rules adopted by the SEC under the Investor Protection and Securities Reform Act of 2010; or
- a final order of a state securities commission, a state financial institution supervisory authority, a federal banking agency, or the National Credit Union Administration.

This Act may not be construed to limit any other authority of the SEC to exempt any person, or any class of persons, from

any provision of this Act, including any related rule or regulation.

TITLE IV--SMALL COMPANY DISCLOSURE SIMPLIFICATION

(Sec. 401) The bill exempts emerging growth companies and issuers with total annual gross revenues of less than \$250 million from the requirement to use Extensible Business Reporting Language (XBRL) for financial statements and other mandatory periodic reporting filed with the SEC. Such companies, however, may elect to use XBRL for such reporting.

(Sec. 402) The SEC shall: (1) analyze the costs and benefits to such issuers of the requirement to use XBRL for financial statements and other mandatory periodic reporting; and (2) report to certain congressional committees on the results of such analysis as well as on progress in implementing XBRL reporting within the SEC, and use of XBRL data by the SEC and by investors.

TITLE V--STREAMLINING EXCESSIVE AND COSTLY REGULATIONS REVIEW

(Sec. 501) Within 5 years after enactment of this Act, and thereafter at least once within each 10-year period, the SEC shall:

- review each significant regulation it has issued;
- determine by vote whether it is ineffective, excessively burdensome, unnecessary, or inconsistent with its mandate;
- solicit public comment as to whether the regulation should be amended or repealed; and
- subsequently amend or repeal accordingly.

The SEC shall report to certain congressional committees the steps it has taken to implement the results of its decision, including any action to amend or repeal the target regulation.

The bill declares that SEC determinations made pursuant to this Act are final and not subject to judicial review.

Actions Timeline

- **Feb 4, 2016:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Feb 3, 2016:** Considered under the provisions of rule H. Res. 595. (consideration: CR H519-532, H532-539)
- **Feb 3, 2016:** Resolution provides for consideration of H.R. 1675 and H.R. 766.
- **Feb 3, 2016:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 595 and Rule XVIII.
- **Feb 3, 2016:** The Speaker designated the Honorable Glenn Thompson to act as Chairman of the Committee.
- **Feb 3, 2016:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 1675.
- **Feb 3, 2016:** DEBATE - Pursuant to the provisions of H.Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the DeSaulnier amendment No. 1.
- **Feb 3, 2016:** POSTPONED PROCEEDINGS - At the conclusion of debate on the DeSaulnier amendment No. 1, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. DeSaulnier demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until a time to be announced.
- **Feb 3, 2016:** DEBATE - Pursuant to the provisions of H.Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the Huizenga amendment No. 2.
- **Feb 3, 2016:** DEBATE - Pursuant to the provisions of H.Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the Sherman amendment No. 3.
- **Feb 3, 2016:** DEBATE - Pursuant to the provisions of H.Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the Issa amendment No. 6.
- **Feb 3, 2016:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Issa amendment No. 6, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Issa demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until a time to be announced.
- **Feb 3, 2016:** DEBATE - Pursuant to the provisions of H. Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the Carolyn Maloney (NY) amendment No. 7.
- **Feb 3, 2016:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Carolyn Maloney amendment No. 7, the Chair put the question on adoption of the amendment and by voice vote, announced that the noes had prevailed. Mr. Ellison demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until a time to be announced.
- **Feb 3, 2016:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was on adoption of amendments, which had been debated earlier and on which further proceedings had been postponed.
- **Feb 3, 2016:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 1675.
- **Feb 3, 2016:** The previous question was ordered pursuant to the rule. (consideration: CR H537)
- **Feb 3, 2016:** The House adopted the amendment as agreed to by the Committee of the Whole House on the state of the Union. (text of amendment in the nature of a substitute: CR H526-528)
- **Feb 3, 2016:** Ms. Frankel (FL) moved to recommit with instructions to the Committee on Financial Services. (consideration: CR H537; text: CR H537)
- **Feb 3, 2016:** DEBATE - The House proceeded with 10 minutes of debate on the motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with an amendment to insert a new section into that defines and prohibits bad actors from making use of any exemption or regulation made by the bill. The amendment also prohibits the SEC from amending or repealing any regulation if it would weaken the protections for American seniors provided by the legislation.
- **Feb 3, 2016:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H538)
- **Feb 3, 2016:** On motion to recommit with instructions Failed by recorded vote: 184 - 241 (Roll no. 60). (consideration: CR H538)
- **Feb 3, 2016:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 265 - 159 (Roll no. 61).
- **Feb 3, 2016:** On passage Passed by the Yeas and Nays: 265 - 159 (Roll no. 61).
- **Feb 3, 2016:** Motion to reconsider laid on the table Agreed to without objection.
- **Feb 2, 2016:** Rules Committee Resolution H. Res. 595 Reported to House. Resolution provides for consideration of

H.R. 1675 and H.R. 766.

- **Jan 28, 2016:** Reported by the Committee on Financial Services. H. Rept. 114-398.
- **Jan 28, 2016:** Placed on the Union Calendar, Calendar No. 301.
- **May 20, 2015:** Committee Consideration and Mark-up Session Held.
- **May 20, 2015:** Ordered to be Reported by the Yeas and Nays: 45 - 15.
- **Apr 29, 2015:** Hearings Held by the Subcommittee on Capital Markets and Government Sponsored Enterprises Prior to Referral.
- **Mar 26, 2015:** Introduced in House
- **Mar 26, 2015:** Referred to the House Committee on Financial Services.