

112TH CONGRESS
1ST SESSION

H. R. 2941

To make the internal control reporting and assessment requirements of the Sarbanes-Oxley Act of 2002 optional for certain smaller companies.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 2011

Mr. QUAYLE (for himself, Mr. PAUL, Mr. MCHENRY, Mr. YODER, Mr. HULTGREN, Mr. SMITH of Texas, and Mr. DOLD) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To make the internal control reporting and assessment requirements of the Sarbanes-Oxley Act of 2002 optional for certain smaller companies.

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 “Startup Expansion and
5 Investment Act”.

1 **SEC. 2. EXEMPTION FROM THE INTERNAL CONTROL RE-**
2 **PORTING AND ASSESSMENT REQUIREMENTS.**

3 Section 404 of the Sarbanes-Oxley Act of 2002 (15
4 U.S.C. 7262) is amended by striking subsection (c) and
5 inserting the following:

6 “(c) EXEMPTION.—The Commission’s rules under
7 subsection (a) shall permit an issuer to elect not to provide
8 the assessment described in subsection (a)(2) and the at-
9 testation thereof described in subsection (b) if the issuer—

10 “(1) has a total market capitalization for the
11 relevant reporting period of less than
12 \$1,000,000,000; and

13 “(2) is not subject to the annual reporting re-
14 quirement under section 13(a) or 15(d) of the Secu-
15 rities Exchange Act of 1934, or has been subject to
16 such requirement for a period of fewer than 10
17 years.

18 “(d) DISCLOSURE.—An issuer that, pursuant to sub-
19 section (c), elects not to provide the assessment described
20 in subsection (a)(2) and the attestation described in sub-
21 section (b), shall disclose that decision in the next report
22 required under section 13(a) or 15(d) of the Securities Ex-
23 change Act of 1934.”.

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