

112TH CONGRESS
1ST SESSION

S. 1962

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

IN THE SENATE OF THE UNITED STATES

DECEMBER 7, 2011

Mr. DEMINT (for himself and Mr. BARRASSO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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.

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

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