

114TH CONGRESS  
2D SESSION

# H. R. 4139

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## AN ACT

To amend the Sarbanes-Oxley Act of 2002 to provide a temporary exemption for low-revenue issuers from certain auditor attestation requirements.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fostering Innovation  
3 Act of 2015”.

4 **SEC. 2. TEMPORARY EXEMPTION FOR LOW-REVENUE**  
5 **ISSUERS.**

6 Section 404 of the Sarbanes-Oxley Act of 2002 (15  
7 U.S.C. 7262) is amended by adding at the end the fol-  
8 lowing:

9 “(d) **TEMPORARY EXEMPTION FOR LOW-REVENUE**  
10 **ISSUERS.—**

11 “(1) **LOW-REVENUE EXEMPTION.—**Subsection  
12 (b) shall not apply with respect to an audit report  
13 prepared for an issuer that—

14 “(A) ceased to be an emerging growth  
15 company on the last day of the fiscal year of  
16 the issuer following the fifth anniversary of the  
17 date of the first sale of common equity securi-  
18 ties of the issuer pursuant to an effective reg-  
19 istration statement under the Securities Act of  
20 1933;

21 “(B) had average annual gross revenues of  
22 less than \$50,000,000 as of its most recently  
23 completed fiscal year; and

24 “(C) is not a large accelerated filer.

25 “(2) **EXPIRATION OF TEMPORARY EXEMP-**  
26 **TION.—**An issuer ceases to be eligible for the exemp-

1       tion described under paragraph (1) at the earliest  
2       of—

3               “(A) the last day of the fiscal year of the  
4               issuer following the tenth anniversary of the  
5               date of the first sale of common equity securi-  
6               ties of the issuer pursuant to an effective reg-  
7               istration statement under the Securities Act of  
8               1933;

9               “(B) the last day of the fiscal year of the  
10              issuer during which the average annual gross  
11              revenues of the issuer exceed \$50,000,000; or

12              “(C) the date on which the issuer becomes  
13              a large accelerated filer.

14              “(3) DEFINITIONS.—For purposes of this sub-  
15              section:

16                      “(A) AVERAGE ANNUAL GROSS REVE-  
17                      NUES.—The term ‘average annual gross reve-  
18                      nues’ means the total gross revenues of an  
19                      issuer over its most recently completed 3 fiscal  
20                      years divided by 3.

21                      “(B) EMERGING GROWTH COMPANY.—The  
22                      term ‘emerging growth company’ has the mean-  
23                      ing given such term under section 3 of the Se-  
24                      curities Exchange Act of 1934 (15 U.S.C. 78e).

1           “(C) LARGE ACCELERATED FILER.—The  
2           term ‘large accelerated filer’ has the meaning  
3           given that term under section 240.12b–2 of title  
4           17, Code of Federal Regulations, or any suc-  
5           cessor thereto.”.

Passed the House of Representatives May 23, 2016.

Attest:

*Clerk.*



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