

Public Statement

Statement of Commissioner Piwowar at Open Meeting Regarding FAST Act Modernization and Simplification of Regulation S-K

Commissioner Michael S. Piwowar

Oct. 11, 2017

Thank you, Chairman Clayton.

I am delighted to support the proposed amendments to modernize and simplify the disclosure requirements of Regulation S-K.

Congress issued its marching orders to us in the Fixing America's Surface Transportation Act (the "FAST Act").^[1] We have been asked to "scale or eliminate requirements . . . to reduce the burden on emerging growth companies, accelerated filers, smaller reporting companies, and other smaller issuers, while still providing all material information to investors." Further, we have been directed to "eliminate provisions . . . that are duplicative, overlapping, outdated, or unnecessary."^[2]

The proposed amendments respond effectively to our mandate under the FAST Act to prune the regulatory orchard. I choose the word "prune" carefully. The object of these amendments is to shear away dead limbs and overgrown branches, thereby improving the fruitfulness and health of the trees. Today's amendments are not an exercise in slash-and-burn clearcutting. They are incremental changes—a snip here, a snip there—designed to shape and guide the healthy plant so that our disclosure regime will continue to bear fruit.

From its establishment, the Commission has sought to reduce the costs and improve the effectiveness of disclosure through such pruning. In January 1935, Joseph P. Kennedy, Sr., the first Chairman of the Commission, announced the release of a new Form A-2, stating that the streamlined form was "our answer to our pledge to make less onerous, less expensive, and more practical the registration of securities."^[3] Think of it: a mere *seven months* after the Commission commenced operations, our founding chairman saw fit to revisit and revise, and prune where necessary, our disclosure regime. Then, Chairman Kennedy and John J. Burns, the Commission's first General Counsel, "'packed their suitcases like traveling salesmen,' wrote one SEC official, and traveled to meet with investment firms and corporate counsel to tout the new form."^[4]

I am not suggesting that Chairman Clayton and General Counsel Stebbins reenact Chairman Kennedy's barnstorming tour of 1935. That said, I am very proud to stand today with Chairman Clayton and Commissioner Stein in a self-reflective tradition stretching from the Commission's New Deal beginnings to the present.

I am very grateful to the staff for their hard work on this long and technical release, and for responding so cordially and professionally to my office's questions and comments during the drafting process. I look forward to reviewing the public comment letters on today's proposal and working with my fellow commissioners to finalize an important set of pruning amendments at the earliest possible date.

Thank you. I have no questions.

[1] Pub. L. No. 114-94, 129 Stat. 1312 (2015).

[2] FAST Act § 72002(1)-(2).

[3] Joel Seligman, *The Transformation of Wall Street* 114 (3d ed. 2003).

[4] *Id.* at 115.