

SEC Corp Fin Director Testifies on the JOBS Act

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The SEC director of the Division of Corporation Finance, Keith Higgins, testified before the Senate Banking Committee on Wednesday at a [hearing](#) titled “The JOBS Act at a Year and a Half: Assessing Progress and Unmet Opportunities.” Higgins discussed each aspect of the JOBS Act by title, summarizing the statutory requirements and the SEC proposed and final rules to implement the Act. He noted that to date, the Commission has received more than 300 confidentially submitted draft registration statements by emerging growth companies, and of those, more than 170 have completed their IPOs.

The required study to conduct a review of Regulation S-K to determine how it can be modernized and simplified to reduce the costs and other burdens for emerging growth companies is expected to be made public “very soon.” Chair White recently questioned in a [speech](#) the benefits of the continually growing volume of disclosure.

Higgins’ testimony also included the fact that since the new Rule 506 exemption became effective in late September, a review of initial Form D filings indicates that there have been 170 new offerings under this exemption, with an additional 44 offerings previously announced converted to relying on it. The average size was \$6.1 million.

After his prepared remarks, the Committee asked a series of questions primarily focused on timing of implementation. Higgins responded that completion of the JOBS Act is a “top priority” while declining to provide a specific deadline. He reiterated that Chair White had placed pay ratio, crowdfunding and Regulation A+ as “front burner” items, and Regulation A+ is the only remaining proposal not yet issued.

Senator Johanns (R-Nebraska) challenged the SEC to continue to keep the Senate informed. As the JOBS Act had so much bipartisan support, he believes that JOBS Act II is a real possibility.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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