

116TH CONGRESS
1ST SESSION

S. 360

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2019

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

A BILL

To amend the Securities Exchange Act of 1934 to require the submission by issuers of data relating to diversity, and for other purposes.

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 “Improving Corporate
5 Governance Through Diversity Act of 2019”.

1 **SEC. 2. SUBMISSION OF DATA RELATING TO DIVERSITY BY**
2 **ISSUERS.**

3 Section 13 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78m) is amended by adding at the end the
5 following:

6 “(s) SUBMISSION OF DATA RELATING TO DIVER-
7 SITY.—

8 “(1) DEFINITIONS.—In this subsection—

9 “(A) the term ‘executive officer’ has the
10 meaning given the term in section 230.501 of
11 title 17, Code of Federal Regulations, as in ef-
12 fect on the date of enactment of this subsection;
13 and

14 “(B) the term ‘veteran’ has the meaning
15 given the term in section 101 of title 38, United
16 States Code.

17 “(2) SUBMISSION OF DISCLOSURE.—Each
18 issuer required to file an annual report under sub-
19 section (a) shall disclose in any proxy statement re-
20 lating to the election of directors, and in any infor-
21 mation statement that so relates, that is filed with
22 the Commission the following:

23 “(A) Data, based on voluntary self-identi-
24 fication, on the racial, ethnic, and gender com-
25 position of—

1 “(i) the board of directors of the
2 issuer;

3 “(ii) nominees for the board of direc-
4 tors of the issuer; and

5 “(iii) the executive officers of the
6 issuer.

7 “(B) The status, based on voluntary self-
8 identification, of any member of the board of
9 directors of the issuer, any nominee for the
10 board of directors of the issuer, or any execu-
11 tive officer of the issuer as a veteran.

12 “(C) Whether the board of directors of the
13 issuer, or any committee of that board of direc-
14 tors, has, as of the date on which the issuer
15 makes a disclosure under this paragraph,
16 adopted any policy, plan, or strategy to promote
17 racial, ethnic, and gender diversity among—

18 “(i) the board of directors of the
19 issuer;

20 “(ii) nominees for the board of direc-
21 tors of the issuer; or

22 “(iii) the executive officers of the
23 issuer.

24 “(3) ALTERNATIVE SUBMISSION.—In any 1-
25 year period in which an issuer required to file an an-

1 nual report under subsection (a) does not file with
2 the Commission a proxy statement or information
3 statement described in paragraph (2), the issuer
4 shall disclose the information required under that
5 paragraph in the first annual report of the issuer
6 that the issuer submits to the Commission after the
7 end of that 1-year period.

8 “(4) BEST PRACTICES.—

9 “(A) IN GENERAL.—Not later than 3 years
10 after the date of enactment of this subsection,
11 and once every 3 years thereafter, the Director
12 of the Office of Minority and Women Inclusion
13 of the Commission (referred to in this para-
14 graph as the ‘Director’), in consultation with
15 the advisory council established under subpara-
16 graph (C), shall publish best practices with re-
17 spect to compliance with this subsection.

18 “(B) COMMENTS.—The Director may, pur-
19 suant to subchapter II of chapter 5 of title 5,
20 United States Code, solicit public comments re-
21 lating to the best practices published under sub-
22 paragraph (A).

23 “(C) ADVISORY COUNCIL.—The Director
24 shall, in accordance with the Federal Advisory

1 Committee Act (5 U.S.C. App.), establish an
2 advisory council that shall—

3 “(i) include issuers and investors; and

4 “(ii) advise the Director with respect
5 to the best practices published under sub-
6 paragraph (A).”.

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