

**AMENDMENT TO RULES COMMITTEE PRINT 116-**

**57**

**OFFERED BY MR. HIMES OF CONNECTICUT**

Page 1115, after line 5, insert the following:

1 **SEC. 17 \_\_\_\_ . CYBERSECURITY TRANSPARENCY.**

2       The Securities Exchange Act of 1934 (15 U.S.C. 78a  
3 et seq.) is amended by inserting after section 14B (15  
4 U.S.C. 78n-2) the following:

5 **“SEC. 14C. CYBERSECURITY TRANSPARENCY.**

6       “(a) RULEMAKING.—

7           “(1) IN GENERAL.—The Commission shall, not  
8 later than 360 days after the date of enactment of  
9 this section, issue a final rule requiring each report-  
10 ing company—

11           “(A) to disclose whether a member of the  
12 governing body of the reporting company, in-  
13 cluding the board of directors or a general part-  
14 ner, has expertise or experience in cybersecurity  
15 in such detail as may be necessary to fully de-  
16 scribe the nature of the expertise or experience;  
17 and

18           “(B) if no member of the governing body  
19 of the reporting company has expertise or expe-

1           rience in cybersecurity, to describe what other  
2           aspects of the reporting company’s cybersecu-  
3           rity were considered by any person, such as an  
4           official serving on a nominating committee, that  
5           is responsible for identifying and evaluating  
6           nominees for membership to the governing  
7           body.

8           “(2) DISCLOSURES.—The disclosures required  
9           under paragraph (1) shall be made in the annual re-  
10          port of the reporting company submitted under sec-  
11          tion 13 or section 15(d) or in the annual proxy  
12          statement of the reporting company submitted under  
13          section 14(a).

14          “(b) CYBERSECURITY EXPERTISE OR EXPERI-  
15          ENCE.—For purposes of subsection (a), the Commission,  
16          in consultation with NIST, shall define what constitutes  
17          expertise or experience in cybersecurity based on com-  
18          monly defined roles, specialties, knowledge, skills, and  
19          abilities, such as those provided in NIST Special Publica-  
20          tion 800–181, entitled ‘National Initiative for Cybersecu-  
21          rity Education (NICE) Cybersecurity Workforce Frame-  
22          work’, or any successor thereto.

23          “(c) DEFINITIONS.—For purposes of this section:

24                  “(1) CYBERSECURITY.—The term ‘cybersecu-  
25          rity’ means any action, step, or measure to detect,

1 prevent, deter, mitigate, or address any cybersecu-  
2 rity threat or any potential cybersecurity threat.

3 “(2) CYBERSECURITY THREAT.—The term ‘cy-  
4 bersecurity threat’—

5 “(A) means an action, not protected by the  
6 First Amendment to the Constitution of the  
7 United States, on or through an information  
8 system that may result in an unauthorized ef-  
9 fort to adversely impact the security, avail-  
10 ability, confidentiality, or integrity of an infor-  
11 mation system or information that is stored on,  
12 processed by, or transiting an information sys-  
13 tem; and

14 “(B) does not include any action that sole-  
15 ly involves a violation of a consumer term of  
16 service or a consumer licensing agreement.

17 “(3) INFORMATION SYSTEM.—The term ‘infor-  
18 mation system’—

19 “(A) has the meaning given the term in  
20 section 3502 of title 44, United States Code;  
21 and

22 “(B) includes industrial control systems,  
23 such as supervisory control and data acquisition  
24 systems, distributed control systems, and pro-  
25 grammable logic controllers.

1           “(4) NIST.—The term ‘NIST’ means the Na-  
2           tional Institute of Standards and Technology.

3           “(5) REPORTING COMPANY.—The term ‘report-  
4           ing company’ means any company that is an  
5           issuer—

6                   “(A) the securities of which are registered  
7                   under section 12; or

8                   “(B) that is required to file reports under  
9                   section 15(d).”.

