



July 11, 2019

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-0609

Re: File No. S7-06-19: Amendments to the Accelerated Filer and Large Accelerated Filer Definitions

Dear Ms. Countryman:

On behalf of Chiasma, Inc., we are pleased to support the SEC's proposed rule to amend the definitions of "accelerated" and "large accelerated" filers. Chiasma is a late clinical stage biopharmaceutical company advancing an oral treatment for adults suffering from the rare disease acromegaly. Our company went public in 2015 as an emerging growth company (EGC), which enabled us to access public capital markets earlier in our growth cycle due to the onramp and regulatory relief provisions provided by the JOBS Act of 2012.

Both the ability to access public capital markets and the regulatory relief afforded EGCs have enabled us to invest significantly in development to advance our clinical product candidate for the potential treatment of acromegaly patients. For instance, in 2018, we invested over \$22 million in research and development. We commend the SEC for pursuing thoughtful and targeted regulatory relief—as indicated by the proposed rule—to enable companies like ours to continue to invest in potentially generating long-term value for our shareholders and patients, alike.

If the proposed rule is implemented in its current form, Chiasma, Inc. and other small public companies will benefit from relief from Sarbanes-Oxley (SOX) 404(b) until the company exceeds the proposed thresholds of \$100 million annual revenue and \$700 million in public float. The certainty and predictability provided by the proposed rule will enable small public companies like ours to prioritize investments that actually determine success or failure in the biotech industry, such as the science and technology underpinning our company's potential, expanding our clinical pipeline to treat new and broader patient populations, and the design and execution of clinical trials that enhance our opportunity to garner approval from the Food and Drug Administration, among others. While well-intentioned, SOX 404(b) has harmed small public companies because of its disproportionate expense, which diverts capital away from research and development, and the evidence¹ suggests that it is not material for or important to our investors. We strongly believe that this proposed rule will benefit small public companies and their investors by freeing up more capital to hire talent, invest further in research and development, and expand our clinical pipeline to improve our ability to develop new therapies to treat the nation's most intractable health problems. For these reasons, the SEC's proposal to expand relief from SOX 404(b) for small public companies is a welcome step forward to making our public capital markets more accessible and attractive to small companies.



We commend the SEC's efforts to ease the regulatory burdens facing small companies under the proposed rule.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark J. Fitzpatrick".

Mark J. Fitzpatrick
President

ⁱ Study by Profs. Craig Lewis and Joshua T. White of Vanderbilt University, "Science or Compliance: Will Section 404(b) Compliance Impede Innovation by Emerging Growth Companies in the Biotech Industry?" February 2019, https://www.bio.org/sites/default/files/BIO_EGC_White_Paper_02_11_2019_FINAL.pdf.