

July 26, 2019

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

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

Dear Ms. Countryman,

On behalf of the SEC registered community banks that are members of the South Carolina Bankers Association, SCBA writes in support of the SEC's proposal to amend the definitions of accelerated and large accelerated filers. Under the proposal, companies with less than \$100 million in annual revenue would be exempt from ICFR auditor attestation as required by Section 404(b) of the Sarbanes-Oxley Act (SOX 404(b)). SCBA is deeply appreciative that the SEC has proposed these changes and encourages the SEC to adopt these changes that will benefit not only these banks but their communities.

For a community banks, capital is king and goes to serve the communities that these banks serve. Without sufficient levels of capital, banks simply are not able to provide the additional financial services that help their communities thrive. Regulatory compliance costs are often the greatest hindrance to levels of capital. SCBA understands and agrees that regulatory measures, such as SOX 404(B), are necessary but also stresses that these measures should be tailored to the types of entities regulated so that there is minimal burdensome regulation. Exempting smaller companies with less than \$100 million in revenue from ICFR auditor attestation requirement is an appropriate way to strike this balance for SEC registered community banks.

SCBA also believes that defining these banks as non-accelerated filers will not negatively affect investors' confidence in these small companies. As the SEC is aware, if these definitions are adopted, non-accelerated filers would still be subject to other requirements to establish, maintain, and assess the effectiveness of ICFR and for management to assess internal controls to protect investors. Further, for investors' confidence in these banks, it should be noted that banks are subject to considerable supervision and regulation from numerous federal and state regulators, which includes regular review for safety and soundness along with internal controls.

As mentioned above, capital is king for community banks. Adopting these proposed definitions will reduce the compliance expenses involved with the present SOX 404(B) auditing requirements and will subsequently result in capital formation for these SEC registered banks. This capital could then be deployed for the numerous financing needs in these banks' communities.¹

SCBA once again thanks the SEC for proposing these changes and respectfully asks that not only the SEC adopt this rule but to also implement it as quickly as possible for the benefit of these banks and their communities.

With kind regards,

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a series of loops and a long, sweeping tail that curves upwards and to the right.

A. O'Neil Rashley, Jr.
Senior Vice President and Counsel

¹ On a related subject, SCBA also supports S. 1233, the Community Bank Access to Capital Act of 2019. This act addresses many costly regulatory concerns that inhibit capital formation for community banks. One such provision in this act is an exemption from SOX 404(B) for SEC registered banks with less than \$5 billion in assets.