

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to modernize the reporting requirements under section 13(f) of such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to modernize the reporting requirements under section 13(f) of such Act, 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 “Capital Markets En-
5 gagement and Transparency Act of 2021”.

6 **SEC. 2. SECTION 13(f) REPORTING REQUIREMENTS.**

7 Section 13(f) of the Securities Exchange Act of 1934
8 (15 U.S.C. 78m(f)) is amended—

1 (1) in paragraph (1)—

2 (A) by striking “equity securities of a class
3 described in section 13(d)(1) of this title having
4 an aggregate fair market value on the last trad-
5 ing day in any of the preceding twelve months
6 of at least \$100,000,000 or such lesser amount
7 (but in no case less than \$10,000,000) as the
8 Commission, by rule, may determine, shall file
9 reports with the Commission in such form, for
10 such periods, and at such times after the end
11 of such periods as the Commission, by rule,
12 may prescribe, but in no event shall such re-
13 ports be filed for periods longer than one year
14 or shorter than one quarter.” and inserting
15 “covered securities having an aggregate fair
16 market value on the last trading day of the pre-
17 ceeding quarter of at least \$100,000,000, shall
18 file reports not later than 5 business days after
19 the end of each month with the Commission in
20 such form as the Commission may prescribe by
21 rule.”; and

22 (B) by striking “such equity security” and
23 inserting “covered security” ; and

24 (2) by adding at the end the following:

1 “(7) COVERED SECURITY.—For purposes of para-
2 graph (1), the term ‘covered security’ means—

3 “(A) an equity security of a class described in
4 subsection (d)(1);

5 “(B) a direct or indirect short interest or posi-
6 tion in an equity security; or

7 “(C) a direct or indirect derivative interest or
8 position in an equity security.”.

9 **SEC. 3. STUDY ON CONFIDENTIAL TREATMENT OF 13(f) RE-**
10 **PORTS.**

11 (a) IN GENERAL.—The Securities and Exchange
12 Commission shall conduct a study to evaluate the stand-
13 ards and criteria used to determine whether confidential
14 treatment shall apply with respect to an institutional in-
15 vestment manager for purposes of filing a report under
16 section 13(f) of the Securities Exchange Act of 1934 (15
17 U.S.C. 78m(f)).

18 (b) REPORT.—Not later than 1 year after the date
19 of enactment of this Act, the Securities and Exchange
20 Commission shall submit to the Committee on Financial
21 Services of the House of Representatives and the Com-
22 mittee on Banking, Housing, and Urban Affairs of the
23 Senate a report on the results of the study conducted
24 under subsection (a).

1 (c) RULEMAKING.—Not later than 2 years after the
2 date of enactment of this Act, the Securities and Ex-
3 change Commission shall issue rules to improve the trans-
4 parency of equity ownership positions by reducing the use
5 of confidential treatment with respect to an institutional
6 investment manager for purposes of filing a report under
7 section 13(f) of the Securities Exchange Act of 1934 (15
8 U.S.C. 78m(f)). Such rules may limit—

9 (1) the duration of such confidential treatment;

10 and

11 (2) the number or types of securities for which
12 such treatment applies.