

[DISCUSSION DRAFT]

119TH CONGRESS
2D SESSION

H. R.

To make improvements to the securities laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. WAGNER introduced the following bill; which was referred to the Committee on

A BILL

To make improvements to the securities laws, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “SEC Reform and Restructuring Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SEC REGULATORY ACCOUNTABILITY

Sec. 101. Consideration by the Securities and Exchange Commission of the costs and benefits of regulations and certain other agency actions of the Commission.

Sec. 102. Accountability provision relating to other regulatory entities.

TITLE II—SEC TRANSPARENCY

Sec. 201. Semiannual testimony to Congress regarding activities of the Securities and Exchange Commission.

TITLE III—SEC CYBERSECURITY

Sec. 301. GAO audit of information technology infrastructure and handling of data.

TITLE IV—REVIEW THE EXPANSION OF GOVERNMENT

Sec. 401. Periodic review of final rules required.

Sec. 402. Consideration of cumulative effect of regulations required.

TITLE V—STREAMLINING PUBLIC COMPANY ACCOUNTING OVERSIGHT

Sec. 501. Transfer of Public Company Accounting Oversight Board to Securities and Exchange Commission.

Sec. 502. Establishment; administrative provisions.

Sec. 503. Registration with the Office.

Sec. 504. Auditing, quality control, standards, and rules.

Sec. 505. Foreign public accounting firms.

Sec. 506. Funding.

Sec. 507. Definitions.

Sec. 508. Technical and conforming amendments.

Sec. 509. Rule of construction with respect to cooperative arrangements.

Sec. 510. Regulations.

Sec. 511. Effective date.

TITLE VI—STUDY REGARDING MAJOR RULES ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION

Sec. 601. GAO study regarding major rules.

TITLE VII—MINIMUM PUBLIC COMMENT PERIOD

Sec. 701. Minimum public comment period.

1 **TITLE I—SEC REGULATORY**
2 **ACCOUNTABILITY**

3 **SEC. 101. CONSIDERATION BY THE SECURITIES AND EX-**
4 **CHANGE COMMISSION OF THE COSTS AND**
5 **BENEFITS OF REGULATIONS AND CERTAIN**
6 **OTHER AGENCY ACTIONS OF THE COMMIS-**
7 **SION.**

8 Section 23 of the Securities Exchange Act of 1934
9 (15 U.S.C. 78w) is amended by adding at the end the fol-
10 lowing:

11 “(e) CONSIDERATION OF COSTS AND BENEFITS.—

12 “(1) CONSIDERATIONS BEFORE PROPOSING A
13 REGULATION.—Before proposing a regulation, the
14 Commission shall—

15 “(A) clearly identify the nature and source
16 of the problem that the regulation is designed
17 to address, as well as assess the significance of
18 that problem, to enable assessment of whether
19 any new regulation is warranted; and

20 “(B) ensure that the regulation would be
21 within the Commission’s jurisdiction and that
22 the Commission has sufficient experience and
23 expertise to regulate the subject matter covered
24 by the regulation.

1 “(2) REQUIREMENTS FOR ISSUING A PROPOSED
2 OR FINAL REGULATION.—

3 “(A) IN GENERAL.—In issuing a proposed
4 or final regulation, the Commission shall—

5 “(i) clearly identify the market par-
6 ticipants who will be impacted by the regu-
7 lation;

8 “(ii) utilize the Chief Economist of
9 the Commission to assess the costs and
10 benefits, both qualitative and quantitative,
11 of the regulation, both on the regulation’s
12 own and cumulatively with other existing
13 and proposed regulations;

14 “(iii) only issue the regulation if the
15 Commission makes a reasoned determina-
16 tion that the benefits of the regulation jus-
17 tify the costs of the regulation;

18 “(iv) identify and assess available al-
19 ternatives to the regulation that were con-
20 sidered, including modification of an exist-
21 ing regulation;

22 “(v) ensure that the regulation is ac-
23 cessible, consistent, written in plain lan-
24 guage, and easy to understand; and

1 “(vi) ensure that the length of the
2 public comment period is commensurate
3 with the complexity of the regulation and
4 the expected public interest in the rule-
5 making.

6 “(B) INCLUSION OF INFORMATION IN A
7 PROPOSED OR FINAL REGULATION.—In issuing
8 a proposed or final regulation, the Commission
9 shall include in the regulation—

10 “(i) the results of the identifications
11 and assessments required under clauses (i)
12 and (ii) of subparagraph (A) with respect
13 to the regulation;

14 “(ii) an explanation of why the regula-
15 tion meets the regulatory objectives of the
16 Commission more effectively than other
17 available alternatives, including modifica-
18 tion of an existing regulation;

19 “(iii) a description of how the Com-
20 mission intends the regulation to interact
21 with existing regulations and proposed reg-
22 ulations; and

23 “(iv) a justification of the length of
24 the public comment period for the regula-
25 tion.

1 “(3) CONSIDERATIONS AND ACTIONS.—

2 “(A) REQUIRED ACTIONS.—In deciding
3 whether and how to regulate, the Commission
4 shall assess the costs and benefits of available
5 regulatory alternatives, including the alternative
6 of not regulating, and choose the approach that
7 maximizes net benefits. Specifically, the Com-
8 mission shall—9 “(i) consistent with the requirements
10 of section 3(f) (15 U.S.C. 78c(f)), section
11 2(b) of the Securities Act of 1933 (15
12 U.S.C. 77b(b)), section 202(c) of the In-
13 vestment Advisers Act of 1940 (15 U.S.C.
14 80b-2(c)), and section 2(c) of the Invest-
15 ment Company Act of 1940 (15 U.S.C.
16 80a-2(c)), consider whether a rulemaking
17 (both on the regulation’s own and cumula-
18 tively with other existing and proposed reg-
19 ulations), in addition to being in the inter-
20 est of protecting investors, will promote ef-
21 ficiency, competition, and capital forma-
22 tion;23 “(ii) evaluate whether, consistent with
24 obtaining regulatory objectives, a regula-
25 tion (both on the regulation’s own and cu-

19 “(i) investor choice;

22 “(iii) small businesses:

23 “(iv) competition in the marketplace;

1 “(vi) the United States’ economic
2 competitiveness.

3 “(4) POST-ADOPTION IMPACT ASSESSMENT.—

4 “(A) IN GENERAL.—Whenever the Com-
5 mission issues a final regulation that is a
6 ‘major rule’ (as defined under section 804 of
7 title 5, United States Code), it shall state, in
8 the regulation, the following:

9 “(i) The purposes and intended con-
10 sequences of the regulation.

11 “(ii) Appropriate post-implementation
12 quantitative and qualitative metrics to
13 measure the economic impact of the regu-
14 lation and to measure the extent to which
15 the regulation has accomplished the stated
16 purposes.

17 “(iii) The assessment plan that will be
18 used, consistent with the requirements of
19 subparagraph (B) and under the super-
20 vision of the Chief Economist, to assess
21 whether the regulation has achieved the
22 stated purposes.

23 “(iv) Any unintended or negative con-
24 sequences that the Commission foresees
25 may result from the regulation.

1 **“(B) REQUIREMENTS OF ASSESSMENT**2 **PLAN AND REPORT.—**3 **“(i) REQUIREMENTS OF PLAN.—**For
4 each regulation described under subparagraph (A), the Chief Economist shall establish an assessment plan, which shall—

7 “(I) consider the costs, benefits, and intended and unintended consequences of the regulation;

10 “(II) specify the data to be collected, the methods for collection and analysis of the data, and a date for completion of the assessment; and

14 “(III) include an analysis of any jobs added or lost as a result of the regulation, differentiating between public and private sector jobs.

18 **“(ii) TIMING OF ASSESSMENT PLAN**
19 **REPORT.—**A report on each completed assessment plan described under clause (i) shall be submitted by the Chief Economist to the Commission not later than the end of the 4-year period beginning on the date the applicable regulation is issued, unless the Commission, at the request of the

1 Chief Economist, publishes at least 90
2 days before the end of such period a notice
3 in the Federal Register extending the date
4 and providing specific reasons why an ex-
5 tension is necessary.

6 “(iii) PUBLIC COMMENT.—Not later
7 than 7 days after the Commission receives
8 an assessment plan report under clause
9 (ii), the Commission shall publish the re-
10 port in the Federal Register for public
11 comment.

12 “(5) REGULATION DEFINED.—In this sub-
13 section, the term ‘regulation’—

14 “(A) means an agency statement of gen-
15 eral applicability and future effect that is de-
16 signed to implement, interpret, or prescribe law
17 or policy or to describe the procedure or prac-
18 tice requirements of an agency, including rules,
19 orders of general applicability, interpretive re-
20 leases, and other statements of general applica-
21 bility that the agency intends to have the force
22 and effect of law; and

23 “(B) does not include—

24 “(i) a regulation issued in accordance
25 with the formal rulemaking provisions of

1 section 556 or 557 of title 5, United States
2 Code;

14 SEC. 102. ACCOUNTABILITY PROVISION RELATING TO
15 OTHER REGULATORY ENTITIES.

16 A rule adopted by the Municipal Securities Rule-
17 making Board or any national securities association reg-
18 istered under section 15A of the Securities Exchange Act
19 of 1934 (15 U.S.C. 78o-3) shall not take effect unless
20 the Securities and Exchange Commission determines that,
21 in adopting such rule, the Board or association has com-
22 plied with the requirements of section 23(e) of the Securi-
23 ties Exchange Act of 1934, as added by section 101, in
24 the same manner as is required by the Commission under
25 such section 23(e).

1 **TITLE II—SEC TRANSPARENCY**

2 SEC. 201. SEMIANNUAL TESTIMONY TO CONGRESS RE-
3 GARDING ACTIVITIES OF THE SECURITIES
4 AND EXCHANGE COMMISSION.

5 Section 4 of the Securities Exchange Act of 1934 (15
6 U.S.C. 78d) is amended by adding at the end the fol-
7 lowing:

8 “(k) SEMIANNUAL TESTIMONY TO CONGRESS.—The
9 Chairman of the Commission shall, not less than once
10 every 6 months after the date of the enactment of this
11 subsection, testify before the Committee on Financial
12 Services of the House of Representatives and the Com-
13 mittee on Banking, Housing, and Urban Affairs of the
14 Senate on the activities of the Commission. At least once
15 annually, the Commissioners shall join the Chairman with
16 respect to testifying pursuant to the preceding sentence.”.

17 TITLE III—SEC CYBERSECURITY

18 SEC. 301. GAO AUDIT OF INFORMATION TECHNOLOGY IN- 19 FRASTRUCTURE AND HANDLING OF DATA

20 The Comptroller General of the United States shall,
21 not later than 1 year after the date of the enactment of
22 this Act—

23 (1) perform an independent audit of the infor-
24 mation technology (IT) infrastructure of the Securi-

1 ties and Exchange Commission and the Commis-
2 sion's handling of data, including—

3 (A) a comparison of the Commission's IT
4 spending to other Federal financial regulators,
5 including—

6 (i) the total amount spent on IT
7 equipment and services; and

8 (ii) the amount of IT spending in pro-
9 portion to each regulator's total spending;

10 (B) examining the quality and effectiveness
11 of the Commission's IT contracting;

12 (C) determining if the Commission's data
13 and cybersecurity systems and procedures are
14 sufficient; and

15 (D) examining any recent Commission IT
16 or data events, such as breaches or hacks, that
17 may have compromised the Commission's IT in-
18 frastructure or exposed a vulnerability; and

19 (2) provide to the Commission, the Committee
20 on Financial Services of the House of Representa-
21 tives, and the Committee on Banking, Housing, and
22 Urban Affairs of the Senate a report containing—

23 (A) all findings and determinations made
24 in conducting the audit; and

1 (B) recommendations for steps that can be
2 taken to improve the Commission's IT infra-
3 structure.

4 **TITLE IV—REVIEW THE**
5 **EXPANSION OF GOVERNMENT**

6 SEC. 401. PERIODIC REVIEW OF FINAL RULES REQUIRED.

7 Section 4 of the Securities Exchange Act of 1934 (15
8 U.S.C. 78d), as amended by section 201, is further
9 amended by adding at the end the following:

10 "(l) PERIODIC REVIEW OF FINAL RULES RE-
11 QUIRED.—

12 “(1) IN GENERAL.—With respect to a final rule
13 issued by the Commission, the Commission shall re-
14 view such rule not later than 5 years after the date
15 on which such final rule is issued, and every 5 years
16 thereafter, to determine if any revision (including a
17 rescission) to the rule is necessary or appropriate—

18 “(A) to facilitate capital formation;

19 “(B) to maintain fair and orderly markets;

20 and

21 “(C) for the protection of investors.

22 “(2) APPLICATION.—With respect to a final
23 rule issued by the Commission before the date of en-
24 actment of this subsection, the first review of such
25 rule required under paragraph (1) shall occur before

1 the end of the 5-year period beginning on the date
2 of enactment of this subsection.

3 “(3) REPORTS REQUIRED.—The Commission
4 shall—

5 “(A) not later than 1 year after the date
6 of the enactment of this subsection, submit to
7 Congress and make publicly available a report
8 that includes a plan to carry out the review re-
9 quired under this subsection with respect to the
10 final rules described in paragraphs (1) and (2);
11 and

12 “(B) not later than 5 years after the date
13 of the enactment of this subsection and not less
14 than once every 5 years thereafter, submit to
15 Congress and make publicly available a report
16 that identifies—

17 “(i) each final rule the Commission
18 reviewed under this subsection in the pre-
19 ceding 5-year period and an explanation of
20 the Commission’s findings and actions
21 taken or planned to be taken; and

22 “(ii) each action or review the Com-
23 mission failed to carry out in the preceding
24 5-year period under the plan required

under subparagraph (A) and an explanation for such failure.”.

3 SEC. 402. CONSIDERATION OF CUMULATIVE EFFECT OF
4 REGULATIONS REQUIRED.

5 (a) RULES UNDER THE SECURITIES ACT OF 1933.—
6 Section 2(b) of the Securities Act of 1933 (15 U.S.C.
7 77b(b)) is amended by inserting “, when considered indi-
8 vidually or cumulatively with other rules or regulations or
9 other proposed rules or regulations,” before “will pro-
10 mote”.

11 (b) RULES UNDER THE SECURITIES EXCHANGE ACT
12 OF 1934.—Section 23(a)(2) of the Securities Exchange
13 Act of 1934 (15 U.S.C. 78w(a)(2)) is amended by insert-
14 ing “, when considered individually or cumulatively with
15 other rules or regulations or other proposed rules or regu-
16 lations.” after “which would”.

17 (c) RULES UNDER THE INVESTMENT COMPANY ACT
18 OF 1940.—Section 2(c) of the Investment Company Act
19 of 1940 (15 U.S.C. 80a-2(c)) is amended by inserting “,
20 when considered individually or cumulatively with other
21 rules or regulations or other proposed rules or regula-
22 tions,” before “will promote”.

23 (d) RULES UNDER THE INVESTMENT ADVISERS ACT
24 OF 1940.—Section 202(c) of the Investment Advisers Act
25 of 1940 (15 U.S.C. 80b-2(c)) is amended by inserting “,

1 when considered individually or cumulatively with other
2 rules or regulations or other proposed rules or regula-
3 tions,” before “will promote”.

4 **TITLE V—STREAMLINING PUB-**
5 **LIC COMPANY ACCOUNTING**
6 **OVERSIGHT**

7 **SEC. 501. TRANSFER OF PUBLIC COMPANY ACCOUNTING**
8 **OVERSIGHT BOARD TO SECURITIES AND EX-**
9 **CHANGE COMMISSION.**

10 (a) **GLOBAL AMENDMENTS.**—Except as otherwise
11 provided under this title, title I of the Sarbanes-Oxley Act
12 of 2002 (15 U.S.C. 7211 et seq.) is amended—

13 (1) in the title heading, by striking “**PUBLIC**
14 **COMPANY ACCOUNTING OVERSIGHT**
15 **BOARD**” and inserting “**OFFICE OF PUBLIC**
16 **ACCOUNTING OVERSIGHT**”;

17 (2) by striking “the Board” each place it ap-
18 pears and inserting “the Office”;

19 (3) by striking “The Board” each place it ap-
20 pears and inserting “The Office”; and

21 (4) by striking “the Board’s” each place it ap-
22 pears and inserting “the Office’s”.

23 (b) **REPEALS.**—Sections 104, 105, and 107 of the
24 Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214; 15 U.S.C.
25 7215; 15 U.S.C. 7217) are repealed.

1 (c) REFERENCES.—Beginning on the date that is 2
2 years after the date of the enactment of this Act, any ref-
3 erence to the Public Company Accounting Oversight
4 Board in any law, regulation, map, document, record, or
5 other paper of the United States shall be deemed to be
6 a reference to the Office of Public Accounting Oversight
7 of the Office of the Chief Accountant of the Securities and
8 Exchange Commission.

9 (d) TERMINATION OF EXISTING BOARD.—The Public
10 Company Accounting Oversight Board shall terminate on
11 the date that is 2 years after the date of the enactment
12 of this Act.

13 SEC. 502. ESTABLISHMENT; ADMINISTRATIVE PROVISIONS.

14 (a) IN GENERAL.—Section 101 of the Sarbanes-
15 Oxley Act of 2002 (15 U.S.C. 7211) is amended—

16 (1) by amending subsection (a) to read as fol-
17 lows:

18 “(a) ESTABLISHMENT OF OFFICE.—There is estab-
19 lished in the Office of the Chief Accountant of the Com-
20 mission an Office of Public Accounting Oversight, to over-
21 see the audit of companies that are subject to the securi-
22 ties laws, and related matters, in order to protect the in-
23 terests of investors and further the public interest in the
24 preparation of informative, accurate, and independent
25 audit reports.”;

1 (2) by amending subsection (b) to read as fol-
2 lows:

3 “(b) DIRECTOR.—The Chief Accountant of the Office
4 of the Chief Accountant of the Commission shall serve as
5 the Director of the Office of Public Accounting Over-
6 sight.”;

7 (3) in subsection (c)—

10 (B) by striking “, subject to action by the
11 Commission under section 107, and once a de-
12 termination is made by the Commission under
13 subsection (d) of this section”;

14 (C) in paragraph (3), by striking “section
15 104” and inserting “subsection (e);

16 (D) in paragraph (4), by striking “section
17 105” and inserting “subsection (f)”;

18 (E) in paragraph (5)—

19 (i) by striking “the Board (or the
20 Commission, by rule or order)” and insert-
21 ing “the Commission”; and

22 (ii) by inserting “and” after the semi-
23 colon;

24 (F) in paragraph (6)—

1 (i) by striking “the rules of the
2 Board” and inserting “the rules of the
3 Commission”; and

4 (ii) by striking “; and” and inserting
5 a period; and

6 (G) by striking paragraph (7);

7 (4) in subsection (d)—

12 (B) by striking “270 days after the date of
13 enactment of this Act” and inserting “1 year
14 after the date of the enactment of the Stream-
15 lining Public Company Accounting Oversight
16 Act”; and

17 (C) by striking the last sentence;

18 (5) by striking subsections (e), (f), and (g);

19 (6) by inserting after subsection (d) the fol-
20 lowing:

21 "(e) INSPECTIONS OF REGISTERED PUBLIC AC-
22 COUNTING FIRMS.—The Office shall conduct a continuing
23 program of inspections to assess the degree of compliance
24 of each registered public accounting firm and associated
25 persons of that firm with this Act, the rules of the Com-

1 mission, or professional standards, in connection with its
2 performance of audits, issuance of audit reports, and re-
3 lated matters involving issuers.

4 “(f) INVESTIGATIONS AND DISCIPLINARY PRO-
5 CEEDINGS.—The Commission shall establish, by rule, fair
6 procedures for the investigation and disciplining of reg-
7 istered public accounting firms and associated persons of
8 such firms.”; and

9 (7) by redesignating subsection (h) as sub-
10 section (g).

11 (b) PUBLICATION OF RULES.—The Director of the
12 Office of Public Accounting Oversight shall, promptly
13 after the creation of the Office, cause to be published in
14 the Federal Register all rules that are transferred to the
15 jurisdiction of the Office pursuant to section 2 upon the
16 termination of the Public Company Accounting Oversight
17 Board.

18 **SEC. 503. REGISTRATION WITH THE OFFICE.**

19 Section 102 of the Sarbanes-Oxley Act of 2002 (15
20 U.S.C. 7212) is amended—

21 (1) in the section heading by striking “**THE**
22 **BOARD**” and inserting “**THE OFFICE**”;
23 (2) in subsection (b)(2)(H), by striking “the
24 Board or the”; and

3 SEC. 504. AUDITING, QUALITY CONTROL, STANDARDS, AND
4 RULES.

5 Section 103 of the Sarbanes-Oxley Act of 2002 (15
6 U.S.C. 7213) is amended—

10 (2) in subsection (a)(3)—

11 (A) in subparagraph (A)(i), by striking “,
12 subject to the terms of section 107.”;

13 (B) by striking subparagraph (B); and

14 (C) by redesignating subparagraph (C) as
15 subparagraph (B);

16 (3) in subsection (c) in the heading of para-
17 graph (2), by striking “BOARD” and inserting “OF-
18 FICE”; and

19 (4) in subsection (d), by striking “101(h)” and
20 inserting “101(g)”.

21 SEC. 505. FOREIGN PUBLIC ACCOUNTING FIRMS.

22 Section 106 of the Sarbanes-Oxley Act of 2002 (15
23 U.S.C. 7216) is amended—

24 (1) in the heading of subsection (a)(2), by
25 striking “BOARD” and inserting “OFFICE”; and

5 SEC. 506, FUNDING.

6 Section 109 of the Sarbanes-Oxley Act of 2002 (15
7 U.S.C. 7219) is amended—

10 "(b) ANNUAL BUDGETS.—

11 “(1) STANDARD SETTING BODY.—The standard
12 setting body referred to in subsection (a) shall estab-
13 lish a budget for each fiscal year, which shall be re-
14 viewed and approved according to their respective in-
15 ternal procedures not less than 1 month prior to the
16 commencement of the fiscal year to which the budg-
17 et pertains.

18 “(2) THE OFFICE.—The Commission shall es-
19 tablish the budget for the Office for each fiscal
20 year.”;

21 (2) in subsection (c)—

22 (A) by amending paragraph (1) to read as
23 follows:

24 “(1) RECOVERABLE BUDGET EXPENSES.—

1 “(A) STANDARD SETTING BODY.—The
2 budget of the standard setting body referred to
3 in subsection (a) for each fiscal year shall be
4 payable from annual accounting support fees, in
5 accordance with subsections (d) and (e). Ac-
6 counting support fees and other receipts of such
7 standard-setting body shall not be considered
8 public monies of the United States.

9 “(B) THE OFFICE.—The budget of the Of-
10 fice (reduced by any registration or annual fees
11 received under section 102(f) for the year pre-
12 ceding the year for which the budget is being
13 computed) for each fiscal year may be payable
14 from annual accounting support fees, in accord-
15 ance with subsections (d) and (e). Accounting
16 support fees and other receipts of the Office.”;

17 (B) in paragraph (2), by striking “shall”
18 and inserting “may”;

19 (3) in subsection (d)—

20 (A) in the heading, by striking “THE
21 BOARD” and inserting “THE OFFICE”;

22 (B) in paragraph (1), by striking “The
23 Board shall establish, with the approval of the
24 Commission,” and inserting “The Commission
25 may establish”;

8 SEC. 507. DEFINITIONS.

9 Section 110 of the Sarbanes-Oxley Act of 2002 (15
10 U.S.C. 7220) is amended

15 “(5) OFFICE.—The term ‘Office’ means the Of-
16 fice of Public Accounting Oversight of the Office of
17 the Chief Accountant of the Commission.”.

18 SEC. 508. TECHNICAL AND CONFORMING AMENDMENTS.

19 (a) DEFINITIONS.—Section 2(a)(9)(C) of the Sar-
20 banes-Oxley Act of 2002 (15 U.S.C. 7201) is amended by
21 striking “, 101(c), 105, and 107(c) and the rules of the
22 Board and Commission issued thereunder” and inserting
23 “and 101(c) and the rules of the Commission thereunder”.

1 (b) EXEMPTION AUTHORITY.—Section 201(b) of the
2 Sarbanes-Oxley Act of 2002 (15 U.S.C. 7231(b)) is
3 amended—

4 (1) by striking “The Board may” and inserting
5 “The Commission may”; and

8 (c) SELF-REGULATORY ORGANIZATION.—Section
9 603(y)(3) of the Consumer Credit Protection Act (15
10 U.S.C. 1681a(y)(3)) is amended by striking “any entity
11 established under title I of the Sarbanes-Oxley Act of
12 2002.”.

13 (d) CLERICAL AMENDMENT.—The table of contents
14 in section 1(b) of the Sarbanes-Oxley Act of 2002 is
15 amended—

16 (1) by striking the item relating to title I and
17 inserting the following new item:

“TITLE I—OFFICE OF PUBLIC ACCOUNTING OVERSIGHT”;

20 (3) in the item relating to section 103, by strik-
21 ing “and independence standards” and inserting
22 “standards”: and

23 (4) by striking the items relating to sections
24 104, 105, and 107.

1 **SEC. 509. RULE OF CONSTRUCTION WITH RESPECT TO CO-**2 **OPERATIVE ARRANGEMENTS.**

3 Nothing in this title, or the amendments made by this
4 title, shall be construed to invalidate or otherwise affect
5 a cooperative arrangement between the Public Company
6 Accounting Oversight Board and a foreign auditor over-
7 sight authority (as defined in section 2(a) of the Sarbanes-
8 Oxley Act of 2002 (15 U.S.C. 7201(a))) in effect on the
9 date that is 2 years after the date of the enactment of
10 this Act.

11 **SEC. 510. REGULATIONS.**

12 The Securities and Exchange Commission may issue
13 such regulations as may be necessary to carry out this
14 title.

15 **SEC. 511. EFFECTIVE DATE.**

16 The amendments made by this title shall take effect
17 on the date that is 2 years after the date of the enactment
18 of this Act.

19 **TITLE VI—STUDY REGARDING
20 MAJOR RULES ISSUED BY
21 THE SECURITIES AND EX-
22 CHANGE COMMISSION**

23 **SEC. 601. GAO STUDY REGARDING MAJOR RULES.**

24 Section 4 of the Securities Exchange Act of 1934 (15
25 U.S.C. 78d), as amended by section 401, is further
26 amended by adding at the end the following:

1 “(m) GAO STUDY REGARDING MAJOR RULES.—

2 “(1) STUDY REQUIRED.—

3 “(A) IN GENERAL.—Subject to subparagraph (C), not later than 1 year after the date
4 of the enactment of this subsection, and every
5 3 years thereafter, the Comptroller General of
6 the United States shall carry out a study on
7 each of the major rules issued by the Commis-
8 sion since the last such review.

9
10 “(B) ELEMENTS.—The study required
11 under subparagraph (A) shall include, with re-
12 spect to each major rule described in such sub-
13 paragraph—

14 “(i) a cost benefit analysis of such
15 major rule;

16 “(ii) a comparison between the cost
17 benefit analysis under clause (i) and the
18 cost benefit analysis for the same major
19 rule carried out by the Commission;

20 “(iii) a comparison between the pro-
21 jected costs of the major rule and the ac-
22 tual costs of the major rule; and

23 “(iv) an evaluation of whether each
24 major rule—

25 “(I) facilitates capital formation;

1 “(II) promotes fair, efficient
2 markets; and
3 “(III) protects investors.

4 “(C) SPECIAL RULE.—If a study required
5 under subparagraph (A) would apply to more
6 than 10 major rules, the Comptroller General
7 shall review only the 10 major rules that are
8 the most significant, as determined by the
9 Comptroller General.

10 “(2) REPORT.—Not later than 1 year after
11 completing a study under paragraph (1), the Comptroller
12 General shall submit to the Committee on Financial
13 Services of the House of Representatives and
14 the Committee on Banking, Housing, and Urban Affairs
15 of the Senate a report that includes—

16 “(A) the results of such study; and
17 “(B) with respect to any major rule reviewed
18 in such study that has not yet been fully
19 implemented by the Commission, a statement
20 that the Comptroller General is unable to fully
21 analyze the costs of the major rule at the time
22 the report is submitted.

23 “(3) MAJOR RULE DEFINED.—In this sub-
24 section, the term ‘major rule’ has the meaning given

1 the term in section 804 of title 5, United States
2 Code.”.

3 **TITLE VII—MINIMUM PUBLIC
4 COMMENT PERIOD**

5 **SEC. 701. MINIMUM PUBLIC COMMENT PERIOD.**

6 Section 4 of the Securities Exchange Act of 1934 (15
7 U.S.C. 78d), as amended by section 601, is further
8 amended by adding at the end the following:

9 “(n) MINIMUM PUBLIC COMMENT PERIOD.—

10 “(1) IN GENERAL.—With respect to a proposed
11 rulemaking for which a public comment period is re-
12 quired under section 553 of title 5, United States
13 Code, the Commission shall provide a public com-
14 ment period of—

15 “(A) at least 60 days; or

16 “(B) if the Commission determines the
17 proposed rule addresses imminent investor
18 harm, at least 30 days.

19 “(2) CALCULATION OF PERIODS.—For purposes
20 of calculating the number of days in a period under
21 paragraph (1) with respect to a proposed rule-
22 making—

23 “(A) a Federal holiday shall not be count-
24 ed; and

1 “(B) the period shall begin on the date the
2 proposed rule is published in the Federal Reg-
3 ister.”.