

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 8339  
OFFERED BY MRS. WAGNER OF MISSOURI**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

4 (b) **TABLE OF CONTENTS.**—The table of contents for  
5 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. Sense of Congress relating to other regulatory entities.

Sec. 103. 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

1           that problem, to enable assessment of whether  
2           any new regulation is warranted; and

3           “(B) ensure that the regulation would be  
4           within the Commission’s jurisdiction and that  
5           the Commission has sufficient experience and  
6           expertise to regulate the subject matter covered  
7           by the regulation.

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

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

12           “(i) clearly identify the market par-  
13           ticipants who will be impacted by the regu-  
14           lation;

15           “(ii) utilize the Chief Economist of  
16           the Commission to assess the costs and  
17           benefits, both qualitative and quantitative,  
18           of the regulation, both on the regulation’s  
19           own and cumulatively with other existing  
20           and proposed regulations;

21           “(iii) only issue the regulation if the  
22           Commission makes a reasoned determina-  
23           tion that the benefits of the regulation jus-  
24           tify the costs of the regulation;

1           “(iv) identify and assess available al-  
2           ternatives to the regulation that were con-  
3           sidered, including modification of an exist-  
4           ing regulation;

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

8           “(vi) ensure that the length of the  
9           public comment period is commensurate  
10          with the complexity of the regulation and  
11          the expected public interest in the rule-  
12          making.

13          “(B) INCLUSION OF INFORMATION IN A  
14          PROPOSED OR FINAL REGULATION.—In issuing  
15          a proposed or final regulation, the Commission  
16          shall include in the regulation—

17               “(i) the results of the identifications  
18               and assessments required under clauses (i)  
19               and (ii) of subparagraph (A) with respect  
20               to the regulation;

21               “(ii) an explanation of why the regula-  
22               tion meets the regulatory objectives of the  
23               Commission more effectively than other  
24               available alternatives, including modifica-  
25               tion of an existing regulation;

1 “(iii) a description of how the Com-  
2 mission intends the regulation to interact  
3 with existing regulations and proposed reg-  
4 ulations; and

5 “(iv) a justification of the length of  
6 the public comment period for the regula-  
7 tion.

8 “(3) CONSIDERATIONS AND ACTIONS.—

9 “(A) REQUIRED ACTIONS.—In deciding  
10 whether and how to regulate, the Commission  
11 shall assess the costs and benefits of available  
12 regulatory alternatives, including the alternative  
13 of not regulating, and choose the approach that  
14 maximizes net benefits. Specifically, the Com-  
15 mission shall—

16 “(i) consistent with the requirements  
17 of section 3(f) (15 U.S.C. 78c(f)), section  
18 2(b) of the Securities Act of 1933 (15  
19 U.S.C. 77b(b)), section 202(c) of the In-  
20 vestment Advisers Act of 1940 (15 U.S.C.  
21 80b–2(c)), and section 2(c) of the Invest-  
22 ment Company Act of 1940 (15 U.S.C.  
23 80a–2(c)), consider whether a rulemaking  
24 (both on the regulation’s own and cumula-  
25 tively with other existing and proposed reg-

1                   ulations), in addition to being in the inter-  
2                   est of protecting investors, will promote ef-  
3                   ficiency, competition, and capital forma-  
4                   tion;

5                   “(ii) evaluate whether, consistent with  
6                   obtaining regulatory objectives, a regula-  
7                   tion (both on the regulation’s own and cu-  
8                   mulatively with other existing and pro-  
9                   posed regulations) is tailored to impose the  
10                  least burden on society, including market  
11                  participants, individuals, businesses of dif-  
12                  fering sizes, and other entities (including  
13                  State and local governmental entities), tak-  
14                  ing into account, to the extent practicable,  
15                  the cumulative costs of regulations; and

16                  “(iii) evaluate whether a regulation is  
17                  inconsistent, incompatible, or duplicative of  
18                  other Federal regulations.

19                  “(B) **ADDITIONAL CONSIDERATIONS.**—In  
20                  addition, in making a reasoned determination  
21                  under paragraph (2)(A)(iii) of the costs and  
22                  benefits of a regulation, the Commission shall,  
23                  to the extent that each is relevant to the par-  
24                  ticular regulation, take into consideration the  
25                  impact of the regulation on—

- 1 “(i) investor choice;
- 2 “(ii) market liquidity in the securities
- 3 markets;
- 4 “(iii) small businesses;
- 5 “(iv) competition in the marketplace;
- 6 “(v) investor access; and
- 7 “(vi) the United States’ economic
- 8 competitiveness.

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

10 “(A) IN GENERAL.—Whenever the Com-

11 mission issues a final regulation that is a

12 ‘major rule’ (as defined under section 804 of

13 title 5, United States Code), it shall state, in

14 the regulation, the following:

15 “(i) The purposes and intended con-

16 sequences of the regulation.

17 “(ii) Appropriate post-implementation

18 quantitative and qualitative metrics to

19 measure the economic impact of the regu-

20 lation and to measure the extent to which

21 the regulation has accomplished the stated

22 purposes.

23 “(iii) The assessment plan that will be

24 used, consistent with the requirements of

25 subparagraph (B) and under the super-

1 vision of the Chief Economist, to assess  
2 whether the regulation has achieved the  
3 stated purposes.

4 “(iv) Any unintended or negative con-  
5 sequences that the Commission foresees  
6 may result from the regulation.

7 “(B) REQUIREMENTS OF ASSESSMENT  
8 PLAN AND REPORT.—

9 “(i) REQUIREMENTS OF PLAN.—For  
10 each regulation described under subpara-  
11 graph (A), the Chief Economist shall es-  
12 tablish an assessment plan, which shall—

13 “(I) consider the costs, benefits,  
14 and intended and unintended con-  
15 sequences of the regulation;

16 “(II) specify the data to be col-  
17 lected, the methods for collection and  
18 analysis of the data, and a date for  
19 completion of the assessment; and

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

24 “(ii) TIMING OF ASSESSMENT PLAN  
25 REPORT.—A report on each completed as-



1           assessment plan described under clause (i)  
2           shall be submitted by the Chief Economist  
3           to the Commission not later than the end  
4           of the 4-year period beginning on the date  
5           the applicable regulation is issued, unless  
6           the Commission, at the request of the  
7           Chief Economist, publishes at least 90  
8           days before the end of such period a notice  
9           in the Federal Register extending the date  
10          and providing specific reasons why an ex-  
11          tension is necessary.

12                   “(iii) PUBLIC COMMENT.—Not later  
13                   than 7 days after the Commission receives  
14                   an assessment plan report under clause  
15                   (ii), the Commission shall publish the re-  
16                   port in the Federal Register for public  
17                   comment.

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

20                           “(A) means an agency statement of gen-  
21                           eral applicability and future effect that is de-  
22                           signed to implement, interpret, or prescribe law  
23                           or policy or to describe the procedure or prac-  
24                           tice requirements of an agency, including rules,  
25                           orders of general applicability, interpretive re-

1 leases, and other statements of general applica-  
2 bility that the agency intends to have the force  
3 and effect of law; and

4 “(B) does not include—

5 “(i) a regulation issued in accordance  
6 with the formal rulemaking provisions of  
7 section 556 or 557 of title 5, United States  
8 Code;

9 “(ii) a regulation that is limited to  
10 agency organization, management, or per-  
11 sonnel matters;

12 “(iii) a regulation promulgated pursu-  
13 ant to statutory authority that expressly  
14 prohibits compliance with this provision;  
15 and

16 “(iv) a regulation that is certified by  
17 the agency to be an emergency action, if  
18 such certification is published in the Fed-  
19 eral Register.”.

20 **SEC. 102. SENSE OF CONGRESS RELATING TO OTHER REGU-**  
21 **LATORY ENTITIES.**

22 It is the sense of the Congress that the Public Com-  
23 pany Accounting Oversight Board should also follow the  
24 requirements of section 23(e) of the Securities Exchange  
25 Act of 1934, as added by section 101.

1 **SEC. 103. ACCOUNTABILITY PROVISION RELATING TO**  
2 **OTHER REGULATORY ENTITIES.**

3 A rule adopted by the Municipal Securities Rule-  
4 making Board or any national securities association reg-  
5 istered under section 15A of the Securities Exchange Act  
6 of 1934 (15 U.S.C. 78o–3) shall not take effect unless  
7 the Securities and Exchange Commission determines that,  
8 in adopting such rule, the Board or association has com-  
9 plied with the requirements of section 23(e) of the Securi-  
10 ties Exchange Act of 1934, as added by section 101, in  
11 the same manner as is required by the Commission under  
12 such section 23(e).

13 **TITLE II—SEC TRANSPARENCY**

14 **SEC. 201. SEMIANNUAL TESTIMONY TO CONGRESS RE-**  
15 **GARDING ACTIVITIES OF THE SECURITIES**  
16 **AND EXCHANGE COMMISSION.**

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

20 “(1) SEMIANNUAL TESTIMONY TO CONGRESS.—The  
21 Chairman of the Commission shall, not less than once  
22 every 6 months after the date of the enactment of this  
23 subsection, testify before the Committee on Financial  
24 Services of the House of Representatives and the Com-  
25 mittee on Banking, Housing, and Urban Affairs of the  
26 Senate on the activities of the Commission. At least once

1 annually, the Commissioners shall join the Chairman with  
2 respect to testifying pursuant to the preceding sentence.”.

3 **TITLE III—SEC CYBERSECURITY**

4 **SEC. 301. GAO AUDIT OF INFORMATION TECHNOLOGY IN-**  
5 **FRASTRUCTURE AND HANDLING OF DATA.**

6 The Comptroller General of the United States shall,  
7 not later than 1 year after the date of the enactment of  
8 this Act—

9 (1) perform an independent audit of the infor-  
10 mation technology (IT) infrastructure of the Securi-  
11 ties and Exchange Commission and the Commis-  
12 sion’s handling of data, including—

13 (A) a comparison of the Commission’s IT  
14 spending to other Federal financial regulators,  
15 including—

16 (i) the total amount spent on IT  
17 equipment and services; and

18 (ii) the amount of IT spending in pro-  
19 portion to each regulator’s total spending;

20 (B) examining the quality and effectiveness  
21 of the Commission’s IT contracting;

22 (C) determining if the Commission’s data  
23 and cybersecurity systems and procedures are  
24 sufficient; and

1 (D) examining any recent Commission IT  
2 or data events, such as breaches or hacks, that  
3 may have compromised the Commission’s IT in-  
4 frastructure or exposed a vulnerability; and

5 (2) provide to the Commission, the Committee  
6 on Financial Services of the House of Representa-  
7 tives, and the Committee on Banking, Housing, and  
8 Urban Affairs of the Senate a report containing—

9 (A) all findings and determinations made  
10 in conducting the audit; and

11 (B) recommendations for steps that can be  
12 taken to improve the Commission’s IT infra-  
13 structure.

14 **TITLE IV—REVIEW THE**  
15 **EXPANSION OF GOVERNMENT**

16 **SEC. 401. PERIODIC REVIEW OF FINAL RULES REQUIRED.**

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

20 “(m) PERIODIC REVIEW OF FINAL RULES RE-  
21 QUIRED.—

22 “(1) IN GENERAL.—With respect to a final rule  
23 issued by the Commission, the Commission shall re-  
24 view such rule not later than 5 years after the date  
25 on which such final rule is issued, and every 5 years

1           thereafter, to determine if any revision (including a  
2           rescission) to the rule is necessary or appropriate—

3                   “(A) to facilitate capital formation;

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

5           and

6                   “(C) for the protection of investors.

7           “(2) APPLICATION.—With respect to a final  
8           rule issued by the Commission before the date of en-  
9           actment of this subsection, the first review of such  
10          rule required under paragraph (1) shall occur before  
11          the end of the 5-year period beginning on the date  
12          of enactment of this subsection.

13          “(3) REPORTS REQUIRED.—The Commission  
14          shall—

15                   “(A) not later than 1 year after the date  
16                   of the enactment of this subsection, submit to  
17                   Congress and make publicly available a report  
18                   that includes a plan to carry out the review re-  
19                   quired under this subsection with respect to the  
20                   final rules described in paragraphs (1) and (2);  
21                   and

22                   “(B) not later than 5 years after the date  
23                   of the enactment of this subsection and not less  
24                   than once every 5 years thereafter, submit to

1 Congress and make publicly available a report  
2 that identifies—

3 “(i) each final rule the Commission  
4 reviewed under this subsection in the pre-  
5 ceding 5-year period and an explanation of  
6 the Commission’s findings and actions  
7 taken or planned to be taken; and

8 “(ii) each action or review the Com-  
9 mission failed to carry out in the preceding  
10 5-year period under the plan required  
11 under subparagraph (A) and an expla-  
12 nation for such failure.”.

13 **SEC. 402. CONSIDERATION OF CUMULATIVE EFFECT OF**  
14 **REGULATIONS REQUIRED.**

15 (a) RULES UNDER THE SECURITIES ACT OF 1933.—  
16 Section 2(b) of the Securities Act of 1933 (15 U.S.C.  
17 77b(b)) is amended by inserting “, when considered indi-  
18 vidually or cumulatively with other rules or regulations or  
19 other proposed rules or regulations,” before “will pro-  
20 mote”.

21 (b) RULES UNDER THE SECURITIES EXCHANGE ACT  
22 OF 1934.—Section 23(a)(2) of the Securities Exchange  
23 Act of 1934 (15 U.S.C. 78w) is amended by inserting “,  
24 when considered individually or cumulatively with other

1 rules or regulations or other proposed rules or regula-  
2 tions,” after “which would”.

3 (c) RULES UNDER THE INVESTMENT COMPANY ACT  
4 OF 1940.—Section 2(c) of the Investment Company Act  
5 of 1940 (15 U.S.C. 80a–2) is amended by inserting “,  
6 when considered individually or cumulatively with other  
7 rules or regulations or other proposed rules or regula-  
8 tions,” before “will promote”.

9 (d) RULES UNDER THE INVESTMENT ADVISERS ACT  
10 OF 1940.—Section 202(c) of the Investment Advisers Act  
11 of 1940 (15 U.S.C. 80b–2) is amended by inserting “,  
12 when considered individually or cumulatively with other  
13 rules or regulations or other proposed rules or regula-  
14 tions,” before “will promote”.

15 **TITLE V—STREAMLINING PUB-**  
16 **LIC COMPANY ACCOUNTING**  
17 **OVERSIGHT**

18 **SEC. 501. TRANSFER OF PUBLIC COMPANY ACCOUNTING**  
19 **OVERSIGHT BOARD TO SECURITIES AND EX-**  
20 **CHANGE COMMISSION.**

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

24 (1) in the title heading, by striking “**PUBLIC**  
25 **COMPANY ACCOUNTING OVERSIGHT**



1       **BOARD**” and inserting “**OFFICE OF PUBLIC**  
2       **ACCOUNTING OVERSIGHT**”;

3           (2) by striking “Public Company Accounting  
4       Oversight Board” each place it appears and insert-  
5       ing “Office of Public Accounting Oversight”;

6           (3) by striking “the Board” each place it ap-  
7       pears and inserting “the Office”;

8           (4) by striking “The Board” each place it ap-  
9       pears and inserting “The Office”; and

10          (5) by striking “the Board’s” each place it ap-  
11       pears and inserting “the Office’s”.

12          (b) **REPEALS**.—Sections 104, 105, and 107 of the  
13       Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214; 15 U.S.C.  
14       7215; 15 U.S.C. 7217) are repealed.

15          (c) **REFERENCES**.—Beginning on the date that is 2  
16       years after the date of the enactment of this Act, any ref-  
17       erence to the Public Company Accounting Oversight  
18       Board in any law, regulation, map, document, record, or  
19       other paper of the United States shall be deemed to be  
20       a reference to the Office of Public Accounting Oversight  
21       of the Office of the Chief Accountant of the Securities and  
22       Exchange Commission.

23          (d) **TERMINATION OF EXISTING BOARD**.—The Public  
24       Company Accounting Oversight Board shall terminate on

1 the date that is 2 years after the date of the enactment  
2 of this Act.

3 **SEC. 502. ESTABLISHMENT; ADMINISTRATIVE PROVISIONS.**

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

6 (1) by amending subsection (a) to read as fol-  
7 lows:

8 “(a) ESTABLISHMENT OF OFFICE.—There is estab-  
9 lished in the Office of the Chief Accountant of the Com-  
10 mission an Office of Public Accounting Oversight, to over-  
11 see the audit of companies that are subject to the securi-  
12 ties laws, and related matters, in order to protect the in-  
13 terests of investors and further the public interest in the  
14 preparation of informative, accurate, and independent  
15 audit reports.”;

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

18 “(b) DIRECTOR.—The Chief Accountant of the Office  
19 of the Chief Accountant of the Commission shall serve as  
20 the Director of the Office of Public Accounting Over-  
21 sight.”;

22 (3) in subsection (c)—

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

1 (B) by striking “, subject to action by the  
2 Commission under section 107, and once a de-  
3 termination is made by the Commission under  
4 subsection (d) of this section”;

5 (C) in paragraph (3), by striking “section  
6 104” and inserting “subsection (e)”;

7 (D) in paragraph (4), by striking “section  
8 105” and inserting “subsection (f)”;

9 (E) in paragraph (5)—

10 (i) by striking “the Board (or the  
11 Commission, by rule or order)” and insert-  
12 ing “the Commission”; and

13 (ii) by inserting “and” after the semi-  
14 colon;

15 (F) in paragraph (6)—

16 (i) by striking “the rules of the  
17 Board” and inserting “the rules of the  
18 Commission”; and

19 (ii) by striking “; and” and inserting  
20 a period; and

21 (G) by striking paragraph (7);

22 (4) in subsection (d)—

23 (A) by striking “The members of the  
24 Board” and inserting “The Chief Accountant of

1 the Office of the Chief Accountant of the Com-  
2 mission”;

3 (B) by striking “270 days after the date of  
4 enactment of this Act” and inserting “1 year  
5 after the date of the enactment of the Stream-  
6 lining Public Company Accounting Oversight  
7 Act”; and

8 (C) by striking the last sentence;

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

10 (6) by inserting after subsection (d) the fol-  
11 lowing:

12 “(e) INSPECTIONS OF REGISTERED PUBLIC AC-  
13 COUNTING FIRMS.—The Office shall conduct a continuing  
14 program of inspections to assess the degree of compliance  
15 of each registered public accounting firm and associated  
16 persons of that firm with this Act, the rules of the Com-  
17 mission, or professional standards, in connection with its  
18 performance of audits, issuance of audit reports, and re-  
19 lated matters involving issuers.

20 “(f) INVESTIGATIONS AND DISCIPLINARY PRO-  
21 CEEDINGS.—The Commission shall establish, by rule, fair  
22 procedures for the investigation and disciplining of reg-  
23 istered public accounting firms and associated persons of  
24 such firms.”; and

1 (7) by redesignating subsection (h) as sub-  
2 section (g).

3 (b) PUBLICATION OF RULES.—The Director of the  
4 Office of Public Accounting Oversight shall, promptly  
5 after the creation of the Office, cause to be published in  
6 the Federal Register all rules that are transferred to the  
7 jurisdiction of the Office pursuant to section 2 upon the  
8 termination of the Public Company Accounting Oversight  
9 Board.

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

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

13 (1) in the section heading by striking “**THE**  
14 **BOARD**” and inserting “**THE OFFICE**”;

15 (2) in subsection (b)(2)(H), by striking “the  
16 Board or the”; and

17 (3) in subsection (e)(2), by striking “for pur-  
18 poses of sections 105(d) and 107(c)”.

19 **SEC. 504. AUDITING, QUALITY CONTROL, STANDARDS, AND**  
20 **RULES.**

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

23 (1) in the heading, by striking “**AND INDE-**  
24 **PENDENCE STANDARDS**” and inserting “**STAND-**  
25 **ARDS, AND**”;

1 (2) in subsection (a)(3)—

2 (A) in subparagraph (A)(i), by striking “,  
3 subject to the terms of section 107,”;

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

5 (C) by redesignating subparagraph (C) as  
6 subparagraph (B);

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

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

12 **SEC. 505. FOREIGN PUBLIC ACCOUNTING FIRMS.**

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

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

17 (2) in subsection (c)—

18 (A) by striking “and the Board, subject to  
19 the approval of the Commission, may,”; and

20 (B) by striking “(or Board)”.

21 **SEC. 506. FUNDING.**

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

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

1 “(b) ANNUAL BUDGETS.—

2 “(1) STANDARD SETTING BODY.—The standard  
3 setting body referred to in subsection (a) shall estab-  
4 lish a budget for each fiscal year, which shall be re-  
5 viewed and approved according to their respective in-  
6 ternal procedures not less than 1 month prior to the  
7 commencement of the fiscal year to which the budg-  
8 et pertains.

9 “(2) THE OFFICE.—The Commission shall es-  
10 tablish the budget for the Office for each fiscal  
11 year.”;

12 (2) in subsection (c)—

13 (A) by amending paragraph (1) to read as  
14 follows:

15 “(1) RECOVERABLE BUDGET EXPENSES.—

16 “(A) STANDARD SETTING BODY.—The  
17 budget of the standard setting body referred to  
18 in subsection (a) for each fiscal year shall be  
19 payable from annual accounting support fees, in  
20 accordance with subsections (d) and (e). Ac-  
21 counting support fees and other receipts of such  
22 standard-setting body shall not be considered  
23 public monies of the United States.

24 “(B) THE OFFICE.—The budget of the Of-  
25 fice (reduced by any registration or annual fees

1 received under section 102(f) for the year pre-  
2 ceding the year for which the budget is being  
3 computed) for each fiscal year may be payable  
4 from annual accounting support fees, in accord-  
5 ance with subsections (d) and (e). Accounting  
6 support fees and other receipts of the Office.”;

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

9 (3) in subsection (d)—

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

12 (B) in paragraph (1), by striking “The  
13 Board shall establish, with the approval of the  
14 Commission,” and inserting “The Commission  
15 may establish”;

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

18 (D) by striking paragraph (3);

19 (4) in subsection (j)—

20 (A) by striking “either the Board,”; and

21 (B) by striking “, or both,”; and

22 (5) by striking subsection (k).

23 **SEC. 507. DEFINITIONS.**

24 Section 110 of the Sarbanes-Oxley Act of 2002 (15  
25 U.S.C. 7220) is amended—



1 (1) by redesignating paragraphs (5) and (6) as  
2 paragraphs (6) and (7); and

3 (2) by inserting after paragraph (4) the fol-  
4 lowing:

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

8 **SEC. 508. TECHNICAL AND CONFORMING AMENDMENTS.**

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

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

17 (1) by striking “The Board may” and inserting  
18 “The Commission may”; and

19 (2) by striking “in the same manner as for  
20 rules of the Board under section 107”.

21 (c) SELF-REGULATORY ORGANIZATION.—Section  
22 603(y)(3) of the Consumer Credit Protection Act (15  
23 U.S.C. 1681a(y)(3)) is amended by striking “any entity  
24 established under title I of the Sarbanes-Oxley Act of  
25 2002,”.

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

4 (1) in the item relating to section 102, by strik-  
5 ing “the Board” and inserting “the Office”;

6 (2) in the item relating to section 103, by strik-  
7 ing “and independence standards” and inserting  
8 “standards, and”; and

9 (3) by striking the items relating to sections  
10 104, 105, and 107.

11 **SEC. 509. RULE OF CONSTRUCTION WITH RESPECT TO CO-**  
12 **OPERATIVE ARRANGEMENTS.**

13 Nothing in this title, or the amendments made by this  
14 title, shall be construed to invalidate or otherwise affect  
15 a cooperative arrangement between the Public Company  
16 Accounting Oversight Board and a foreign auditor over-  
17 sight authority (as defined in section 2(a) of the Sarbanes-  
18 Oxley Act of 2002 (15 U.S.C. 7201(a))) in effect on the  
19 date that is 2 years after the date of the enactment of  
20 this Act.

21 **SEC. 510. REGULATIONS.**

22 The Securities and Exchange Commission may issue  
23 such regulations as may be necessary to carry out this  
24 title.

1 **SEC. 511. EFFECTIVE DATE.**

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

5 **TITLE VI—STUDY REGARDING**  
6 **MAJOR RULES ISSUED BY**  
7 **THE SECURITIES AND EX-**  
8 **CHANGE COMMISSION**

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

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

13 “(n) GAO STUDY REGARDING MAJOR RULES.—

14 “(1) STUDY REQUIRED.—

15 “(A) IN GENERAL.—Subject to subpara-  
16 graph (C), not later than 1 year after the date  
17 of the enactment of this subsection, and every  
18 3 years thereafter, the Comptroller General of  
19 the United States shall carry out a study on  
20 each of the major rules issued by the Commis-  
21 sion since the last such review.

22 “(B) ELEMENTS.—The study required  
23 under subparagraph (A) shall include, with re-  
24 spect to each major rule described in such sub-  
25 paragraph—

1                   “(i) a cost benefit analysis of such  
2                   major rule;

3                   “(ii) a comparison between the cost  
4                   benefit analysis under clause (i) and the  
5                   cost benefit analysis for the same major  
6                   rule carried out by the Commission;

7                   “(iii) a comparison between the pro-  
8                   jected costs of the major rule and the ac-  
9                   tual costs of the major rule; and

10                  “(iv) an evaluation of whether each  
11                  major rule—

12                                 “(I) facilitates capital formation;

13                                 “(II) promotes fair, efficient  
14                                 markets; and

15                                 “(III) protects investors.

16                  “(C) SPECIAL RULE.—If a study required  
17                  under subparagraph (A) would apply to more  
18                  than 10 major rules, the Comptroller Genera  
19                  shall review only the 10 major rules that are  
20                  the most significant, as determined by the  
21                  Comptroller General.

22                  “(2) REPORT.—Not later than 1 year after  
23                  completing a study under paragraph (1), the Comp-  
24                  troller General shall submit to the Committee on Fi-  
25                  nancial Services of the House of Representatives and

1 the Committee on Banking, Housing, and Urban Af-  
2 fairs of the Senate a report that includes—

3 “(A) the results of such study; and

4 “(B) with respect to any major rule re-  
5 viewed in such study that has not yet been fully  
6 implemented by the Commission, a statement  
7 that the Comptroller General is unable to fully  
8 analyze the costs of the major rule at the time  
9 the report is submitted.

10 “(3) MAJOR RULE DEFINED.—In this sub-  
11 section, the term ‘major rule’ has the meaning given  
12 the term in section 804 of title 5, United States  
13 Code.”.

## 14 **TITLE VII—MINIMUM PUBLIC** 15 **COMMENT PERIOD**

### 16 **SEC. 701. MINIMUM PUBLIC COMMENT PERIOD.**

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

20 “(o) MINIMUM PUBLIC COMMENT PERIOD.—

21 “(1) IN GENERAL.—With respect to a proposed  
22 rulemaking for which a public comment period is re-  
23 quired under section 553 of title 5, United States  
24 Code, the Commission shall provide a public com-  
25 ment period of—

1                   “(A) at least 60 days; or

2                   “(B) if the Commission determines the  
3                   proposed rule addresses imminent investor  
4                   harm, at least 30 days.

5                   “(2) CALCULATION OF PERIODS.—For purposes  
6                   of calculating the number of days in a period under  
7                   paragraph (1) with respect to a proposed rule-  
8                   making—

9                   “(A) a Federal holiday shall not be count-  
10                  ed; and

11                  “(B) the period shall begin on the date the  
12                  proposed rule is published in the Federal Reg-  
13                  ister.”.

