

118TH CONGRESS  
2D SESSION

# H. R. 8339

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

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IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2024

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

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## 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 ac-  
tions 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  
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-

1 mulatively with other existing and pro-  
2 posed regulations) is tailored to impose the  
3 least burden on society, including market  
4 participants, individuals, businesses of dif-  
5 fering sizes, and other entities (including  
6 State and local governmental entities), tak-  
7 ing into account, to the extent practicable,  
8 the cumulative costs of regulations; and

9 “(iii) evaluate whether a regulation is  
10 inconsistent, incompatible, or duplicative of  
11 other Federal regulations.

12 “(B) ADDITIONAL CONSIDERATIONS.—In  
13 addition, in making a reasoned determination  
14 under paragraph (2)(A)(iii) of the costs and  
15 benefits of a regulation, the Commission shall,  
16 to the extent that each is relevant to the par-  
17 ticular regulation, take into consideration the  
18 impact of the regulation on—

19 “(i) investor choice;

20 “(ii) market liquidity in the securities  
21 markets;

22 “(iii) small businesses;

23 “(iv) competition in the marketplace;

24 “(v) investor access; and

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 subpara-  
5 graph (A), the Chief Economist shall es-  
6 tablish an assessment plan, which shall—

7                   “(I) consider the costs, benefits,  
8 and intended and unintended con-  
9 sequences of the regulation;

10                   “(II) specify the data to be col-  
11 lected, the methods for collection and  
12 analysis of the data, and a date for  
13 completion of the assessment; and

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

18                   “(ii) TIMING OF ASSESSMENT PLAN  
19 REPORT.—A report on each completed as-  
20 sessment plan described under clause (i)  
21 shall be submitted by the Chief Economist  
22 to the Commission not later than the end  
23 of the 4-year period beginning on the date  
24 the applicable regulation is issued, unless  
25 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;

3 “(ii) a regulation that is limited to  
4 agency organization, management, or per-  
5 sonnel matters;

6 “(iii) a regulation promulgated pursu-  
7 ant to statutory authority that expressly  
8 prohibits compliance with this provision;  
9 and

10 “(iv) a regulation that is certified by  
11 the agency to be an emergency action, if  
12 such certification is published in the Fed-  
13 eral Register.”.

14 **SEC. 102. SENSE OF CONGRESS RELATING TO OTHER REGU-**  
15 **LATORY ENTITIES.**

16 It is the sense of the Congress that the Public Com-  
17 pany Accounting Oversight Board should also follow the  
18 requirements of section 23(e) of the Securities Exchange  
19 Act of 1934.

20 **SEC. 103. ACCOUNTABILITY PROVISION RELATING TO**  
21 **OTHER REGULATORY ENTITIES.**

22 A rule adopted by the Municipal Securities Rule-  
23 making Board or any national securities association reg-  
24 istered under section 15A of the Securities Exchange Act  
25 of 1934 (15 U.S.C. 78o-3) shall not take effect unless

1 the Securities and Exchange Commission determines that,  
2 in adopting such rule, the Board or association has com-  
3 plied with the requirements of section 23(e) of the Securi-  
4 ties Exchange Act of 1934, in the same manner as is re-  
5 quired by the Commission under such section 23(e).

## 6 **TITLE II—SEC TRANSPARENCY**

### 7 **SEC. 201. SEMIANNUAL TESTIMONY TO CONGRESS RE-** 8 **GARDING ACTIVITIES OF THE SECURITIES** 9 **AND EXCHANGE COMMISSION.**

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

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

1 **TITLE III—SEC CYBERSECURITY**

2 **SEC. 301. GAO AUDIT OF INFORMATION TECHNOLOGY IN-**  
3 **FRASTRUCTURE AND HANDLING OF DATA.**

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

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

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

14 (i) the total amount spent on IT  
15 equipment and services; and

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

18 (B) examining the quality and effectiveness  
19 of the Commission’s IT contracting;

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

23 (D) examining any recent Commission IT  
24 or data events, such as breaches or hacks, that

1           may have compromised the Commission’s IT in-  
2           frastructure or exposed a vulnerability; and

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

7                   (A) all findings and determinations made  
8                   in conducting the audit; and

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

## 12                   **TITLE IV—REVIEW THE** 13                  **EXPANSION OF GOVERNMENT**

### 14                  **SEC. 401. PERIODIC REVIEW OF FINAL RULES REQUIRED.**

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

18                  “(m) PERIODIC REVIEW OF FINAL RULES RE-  
19                  QUIRED.—

20                         “(1) IN GENERAL.—With respect to a final rule  
21                         issued by the Commission, the Commission shall re-  
22                         view such rule not later than 5 years after the date  
23                         on which such final rule is issued, and every 5 years  
24                         thereafter, to determine if any revision (including a  
25                         rescission) to the rule is necessary or appropriate—

1                   “(A) to facilitate capital formation;

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

3                   and

4                   “(C) for the protection of investors.

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

11                  “(3) REPORTS REQUIRED.—The Commission  
12 shall—

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

20                   “(B) not later than 5 years after the date  
21 of the enactment of this subsection and not less  
22 than once every 5 years thereafter, submit to  
23 Congress and make publicly available a report  
24 that identifies—

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

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

11 **SEC. 402. CONSIDERATION OF CUMULATIVE EFFECT OF**  
12 **REGULATIONS REQUIRED.**

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

19         (b) RULES UNDER THE SECURITIES EXCHANGE ACT  
20 OF 1934.—Section 23(a)(2) of the Securities Exchange  
21 Act of 1934 (15 U.S.C. 78w) is amended by inserting “,  
22 when considered individually or cumulatively with other  
23 rules or regulations or other proposed rules or regula-  
24 tions,” after “which would”.



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

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

13 **TITLE V—STREAMLINING PUB-**  
 14 **LIC COMPANY ACCOUNTING**  
 15 **OVERSIGHT**

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

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

22 (1) in the title heading, by striking “**PUBLIC**  
 23 **COMPANY ACCOUNTING OVERSIGHT**  
 24 **BOARD**” and inserting “**OFFICE OF PUBLIC**  
 25 **ACCOUNTING OVERSIGHT**”;

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

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

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

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

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

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

21          (d) TERMINATION OF EXISTING BOARD.—The Public  
22 Company Accounting Oversight Board shall terminate on  
23 the date that is 2 years after the date of the enactment  
24 of this Act.

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

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

4 (1) by amending subsection (a) to read as fol-  
5 lows:

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

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

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

20 (3) in subsection (c)—

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

23 (B) by striking “, subject to action by the  
24 Commission under section 107, and once a de-  
25 termination is made by the Commission under  
26 subsection (d) of this section”;

1 (C) in paragraph (3), by striking “section  
2 104” and inserting “subsection (e)”;

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

5 (E) in paragraph (5)—

6 (i) by striking “the Board (or the  
7 Commission, by rule or order)” and insert-  
8 ing “the Commission”; and

9 (ii) by inserting “and” after the semi-  
10 colon;

11 (F) in paragraph (6)—

12 (i) by striking “the rules of the  
13 Board” and inserting “the rules of the  
14 Commission”; and

15 (ii) by striking “; and” and inserting  
16 a period; and

17 (G) by striking paragraph (7);

18 (4) in subsection (d)—

19 (A) by striking “The members of the  
20 Board” and inserting “The Chief Accountant of  
21 the Office of the Chief Accountant of the Com-  
22 mission”;

23 (B) by striking “270 days after the date of  
24 enactment of this Act” and inserting “1 year  
25 after the date of the enactment of the Stream-

1 lining Public Company Accounting Oversight  
2 Act”; and

3 (C) by striking the last sentence;

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

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

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

15 “(f) INVESTIGATIONS AND DISCIPLINARY PRO-  
16 CEEDINGS.—The Commission shall establish, by rule, fair  
17 procedures for the investigation and disciplining of reg-  
18 istered public accounting firms and associated persons of  
19 such firms.”; and

20 (7) by redesignating subsection (h) as sub-  
21 section (g).

22 (b) PUBLICATION OF RULES.—The Director of the  
23 Office of Public Accounting Oversight shall, promptly  
24 after the creation of the Office, cause to be published in  
25 the Federal Register all rules that are transferred to the

1 jurisdiction of the Office pursuant to section 2 upon the  
2 termination of the Public Company Accounting Oversight  
3 Board.

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

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

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

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

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

13 **SEC. 504. AUDITING, QUALITY CONTROL, STANDARDS, AND**  
14 **RULES.**

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

17 (1) in the heading, by striking “**AND INDE-**  
18 **PENDENCE STANDARDS**” and inserting “**STAND-**  
19 **ARDS, AND**”;

20 (2) in subsection (a)(3)—

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

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

24 (C) by redesignating subparagraph (C) as  
25 subparagraph (B);

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

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

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

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

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

11          (2) in subsection (c)—

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

14                 (B) by striking “(or Board)”.

15 **SEC. 506. FUNDING.**

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

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

20          “(b) ANNUAL BUDGETS.—

21                 “(1) STANDARD SETTING BODY.—The standard  
22                 setting body referred to in subsection (a) shall estab-  
23                 lish a budget for each fiscal year, which shall be re-  
24                 viewed and approved according to their respective in-  
25                 ternal procedures not less than 1 month prior to the

1 commencement of the fiscal year to which the bud-  
2 get pertains.

3 “(2) THE OFFICE.—The Commission shall es-  
4 tablish the budget for the Office for each fiscal  
5 year.”;

6 (2) in subsection (c)—

7 (A) by amending paragraph (1) to read as  
8 follows:

9 “(1) RECOVERABLE BUDGET EXPENSES.—

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

18 “(B) THE OFFICE.—The budget of the Of-  
19 fice (reduced by any registration or annual fees  
20 received under section 102(f) for the year pre-  
21 ceding the year for which the budget is being  
22 computed) for each fiscal year may be payable  
23 from annual accounting support fees, in accord-  
24 ance with subsections (d) and (e). Accounting  
25 support fees and other receipts of the Office.”;



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

3 (3) in subsection (d)—

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

6 (B) in paragraph (1), by striking “The  
7 Board shall establish, with the approval of the  
8 Commission,” and inserting “The Commission  
9 may establish”;

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

12 (D) by striking paragraph (3);

13 (4) in subsection (j)—

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

15 (B) by striking “, or both,”; and

16 (5) by striking subsection (k).

17 **SEC. 507. DEFINITIONS.**

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

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

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

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

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

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

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

13           (1) by striking “The Board may” and inserting  
14           “The Commission may”; and

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

17          (c) SELF-REGULATORY ORGANIZATION.—Section  
18           603(y)(3) of the Consumer Credit Protection Act (15  
19           U.S.C. 1681a(y)(3)) is amended by striking “any entity  
20           established under title I of the Sarbanes-Oxley Act of  
21           2002,”.

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

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

3 (2) in the item relating to section 103, by strik-  
4 ing “and independence standards” and inserting  
5 “standards, and”; and

6 (3) by striking the items relating to sections  
7 104, 105, and 107.

8 **SEC. 509. RULE OF CONSTRUCTION WITH RESPECT TO CO-**  
9 **OPERATIVE ARRANGEMENTS.**

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

18 **SEC. 510. REGULATIONS.**

19 The Securities and Exchange Commission may issue  
20 such regulations as may be necessary to carry out this  
21 title.

22 **SEC. 511. EFFECTIVE DATE.**

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

1 **TITLE VI—STUDY REGARDING**  
2 **MAJOR RULES ISSUED BY**  
3 **THE SECURITIES AND EX-**  
4 **CHANGE COMMISSION**

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

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

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

10 “(1) STUDY REQUIRED.—

11 “(A) IN GENERAL.—Subject to subpara-  
12 graph (C), not later than 1 year after the date  
13 of the enactment of this subsection, and every  
14 3 years thereafter, the Comptroller General of  
15 the United States shall carry out a study on  
16 each of the major rules issued by the Commis-  
17 sion since the last such review.

18 “(B) ELEMENTS.—The study required  
19 under subparagraph (A) shall include, with re-  
20 spect to each major rule described in such sub-  
21 paragraph—

22 “(i) a cost benefit analysis of such  
23 major rule;

24 “(ii) a comparison between the cost  
25 benefit analysis under clause (i) and the

1 cost benefit analysis for the same major  
2 rule carried out by the Commission;

3 “(iii) a comparison between the pro-  
4 jected costs of the major rule and the ac-  
5 tual costs of the major rule; and

6 “(iv) an evaluation of whether each  
7 major rule—

8 “(I) facilitates capital formation;

9 “(II) promotes fair, efficient  
10 markets; and

11 “(III) protects investors.

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

18 “(2) REPORT.—Not later than 1 year after  
19 completing a study under paragraph (1), the Comp-  
20 troller General shall submit to the Committee on Fi-  
21 nancial Services of the House of Representatives and  
22 the Committee on Banking, Housing, and Urban Af-  
23 fairs of the Senate a report that includes—

24 “(A) the results of such study; and

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

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

## 11       **TITLE VII—MINIMUM PUBLIC** 12           **COMMENT PERIOD**

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

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

17       “(o) MINIMUM PUBLIC COMMENT PERIOD.—

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

23           “(A) at least 60 days; or

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

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

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

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

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