

119TH CONGRESS
2D SESSION

H. R. 9329

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2026

Mrs. WAGNER (for herself, Mr. DOWNING, Mr. SESSIONS, and Mr. HUIZENGA)
introduced the following bill; which was referred to the Committee on Fi-
nancial Services

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.

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. 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.

TITLE VIII—SECURITIES ENFORCEMENT CLARITY

Sec. 801. Determination of the number of violations.

TITLE IX—SEC MODERNIZATION

Sec. 901. Commission organization.

**TITLE I—SEC REGULATORY
ACCOUNTABILITY**

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

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

“(e) CONSIDERATION OF COSTS AND BENEFITS.—

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

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

“(B) ensure that the regulation would be
within the Commission’s jurisdiction and that
the Commission has sufficient experience and
expertise to regulate the subject matter covered
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 related 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) ensure that the regulation is ac-
19 cessible, consistent, written in plain lan-
20 guage, and easy to understand; and

21 “(v) ensure that the length of the
22 public comment period is commensurate
23 with the complexity of the regulation and
24 the expected public interest in the rule-
25 making.

1 “(B) INCLUSION OF INFORMATION IN A
2 PROPOSED OR FINAL REGULATION.—In issuing
3 a proposed or final regulation, the Commission
4 shall include in the regulation—

5 “(i) the results of the identifications
6 and assessments required under clauses (i)
7 and (ii) of subparagraph (A) with respect
8 to the regulation;

9 “(ii) an explanation of why the regula-
10 tion meets the regulatory objectives of the
11 Commission more effectively than other
12 available alternatives;

13 “(iii) a description of how the Com-
14 mission intends the regulation to interact
15 with existing regulations and proposed reg-
16 ulations; and

17 “(iv) a justification of the length of
18 the public comment period for the regula-
19 tion.

20 “(3) CONSIDERATIONS AND ACTIONS.—

21 “(A) REQUIRED ACTIONS.—In deciding
22 whether and how to regulate, the Commission
23 shall assess the costs and benefits of available
24 regulatory alternatives, including the alternative
25 of not regulating, and choose the approach that

1 maximizes benefits net of costs, to the extent
2 quantifiable. Specifically, the Commission
3 shall—

4 “(i) consistent with the requirements
5 of section 3(f) (15 U.S.C. 78c(f)), section
6 2(b) of the Securities Act of 1933 (15
7 U.S.C. 77b(b)), section 202(c) of the In-
8 vestment Advisers Act of 1940 (15 U.S.C.
9 80b-2(c)), and section 2(c) of the Invest-
10 ment Company Act of 1940 (15 U.S.C.
11 80a-2(c)), consider whether a rulemaking
12 (both on the regulation’s own and cumula-
13 tively with other existing and proposed reg-
14 ulations), in addition to being in the inter-
15 est of protecting investors, will promote ef-
16 ficiency, competition, and capital forma-
17 tion; and

18 “(ii) evaluate whether a regulation is
19 inconsistent, incompatible, or duplicative of
20 other Federal regulations.

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

1 ticular regulation, take into consideration the
2 impact of the regulation on—

3 “(i) investor choice;

4 “(ii) market liquidity in the securities
5 markets;

6 “(iii) small businesses;

7 “(iv) competition in the marketplace;

8 and

9 “(v) investor access.

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

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

16 “(i) The purposes and intended con-
17 sequences of the regulation.

18 “(ii) Appropriate post-implementation
19 quantitative and qualitative metrics to
20 measure the economic impact of the regu-
21 lation and to measure the extent prac-
22 ticable to which the regulation has accom-
23 plished the stated purposes.

1 “(iii) The assessment plan that will be
2 used, consistent with the requirements of
3 subparagraph (B).

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 Commission shall establish
12 an assessment plan, which shall—

13 “(I) identify the costs, benefits,
14 and intended and unintended con-
15 sequences as identified in the rule-
16 making release of the regulation; and

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

21 “(ii) TIMING OF ASSESSMENT PLAN
22 REPORT.—A report on each completed as-
23 sessment plan described under clause (i)
24 shall be submitted by the Chief Economist
25 to the Commission not later than the end

1 of the 4-year period beginning on the date
2 the applicable regulation is issued, unless
3 the Commission, at the request of the
4 Chief Economist, publishes at least 90
5 days before the end of such period a notice
6 in the Federal Register extending the date
7 and providing specific reasons why an ex-
8 tension is necessary.

9 “(iii) PUBLIC COMMENT.—Not later
10 than 30 days after the Commission re-
11 ceives an assessment plan report under
12 clause (ii), the Commission shall publish
13 the report in the Federal Register for pub-
14 lic comment.

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

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

1 “(B) does not include—

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

6 “(ii) a regulation that is limited to
7 agency organization, management, or per-
8 sonnel matters;

9 “(iii) a regulation promulgated pursu-
10 ant to statutory authority that expressly
11 prohibits compliance with this provision;
12 and

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

17 **TITLE II—SEC TRANSPARENCY**

18 **SEC. 201. SEMIANNUAL TESTIMONY TO CONGRESS RE-** 19 **GARDING ACTIVITIES OF THE SECURITIES** 20 **AND EXCHANGE COMMISSION.**

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

24 “(k) SEMIANNUAL TESTIMONY TO CONGRESS.—The
25 Chairman of the Commission shall, not less than once

1 every 6 months after the date of the enactment of this
2 subsection, testify before the Committee on Financial
3 Services of the House of Representatives and the Com-
4 mittee on Banking, Housing, and Urban Affairs of the
5 Senate on the activities of the Commission. At least once
6 annually, the Commissioners shall join the Chairman with
7 respect to testifying pursuant to the preceding sentence.”.

8 **TITLE III—SEC CYBERSECURITY**

9 **SEC. 301. GAO AUDIT OF INFORMATION TECHNOLOGY IN-** 10 **FRASTRUCTURE AND HANDLING OF DATA.**

11 The Comptroller General of the United States shall,
12 not later than 1 year after the date of the enactment of
13 this Act—

14 (1) perform an independent audit of the infor-
15 mation technology (IT) infrastructure of the Securi-
16 ties and Exchange Commission and the Commis-
17 sion’s handling of data, including—

18 (A) a comparison of the Commission’s IT
19 spending to other Federal financial regulators,
20 including—

21 (i) the total amount spent on IT
22 equipment and services; and

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

1 (B) examining the quality and effectiveness
2 of the Commission’s IT contracting;

3 (C) determining if the Commission’s data
4 and cybersecurity systems and procedures are
5 sufficient; and

6 (D) examining any recent Commission IT
7 or data events, such as breaches or hacks, that
8 may have compromised the Commission’s IT in-
9 frastructure or exposed a vulnerability; and

10 (2) provide to the Commission, the Committee
11 on Financial Services of the House of Representa-
12 tives, and the Committee on Banking, Housing, and
13 Urban Affairs of the Senate a report containing—

14 (A) all findings and determinations made
15 in conducting the audit; and

16 (B) recommendations for steps that can be
17 taken to improve the Commission’s IT infra-
18 structure.

19 **TITLE IV—REVIEW THE** 20 **EXPANSION OF GOVERNMENT**

21 **SEC. 401. CONSIDERATION OF CUMULATIVE EFFECT OF** 22 **REGULATIONS REQUIRED.**

23 (a) RULES UNDER THE SECURITIES ACT OF 1933.—
24 Section 2(b) of the Securities Act of 1933 (15 U.S.C.
25 77b(b)) is amended by inserting “, when considered indi-

1 vidually or cumulatively with other related rules or regula-
2 tions or other related and recent proposed rules or regula-
3 tions,” before “will promote”.

4 (b) RULES UNDER THE SECURITIES EXCHANGE ACT
5 OF 1934.—Section 23(a)(2) of the Securities Exchange
6 Act of 1934 (15 U.S.C. 78w(a)(2)) is amended by insert-
7 ing “, when considered individually or cumulatively with
8 other related rules or regulations or other related and re-
9 cent proposed rules or regulations,” after “which would”.

10 (c) RULES UNDER THE INVESTMENT COMPANY ACT
11 OF 1940.—Section 2(c) of the Investment Company Act
12 of 1940 (15 U.S.C. 80a–2(c)) is amended by inserting “,
13 when considered individually or cumulatively with other
14 related rules or regulations or other related and recent
15 proposed rules or regulations,” before “will promote”.

16 (d) RULES UNDER THE INVESTMENT ADVISERS ACT
17 OF 1940.—Section 202(c) of the Investment Advisers Act
18 of 1940 (15 U.S.C. 80b–2(c)) is amended by inserting “,
19 when considered individually or cumulatively with other
20 related rules or regulations or other related and recent
21 proposed rules or regulations,” before “will promote”.

1 **TITLE V—STREAMLINING PUB-**
2 **LIC COMPANY ACCOUNTING**
3 **OVERSIGHT**

4 **SEC. 501. TRANSFER OF PUBLIC COMPANY ACCOUNTING**
5 **OVERSIGHT BOARD TO SECURITIES AND EX-**
6 **CHANGE COMMISSION.**

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

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

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

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

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

20 (b) REPEALS.—Sections 104, 105, and 107 of the
21 Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214; 15 U.S.C.
22 7215; 15 U.S.C. 7217) are repealed.

23 (c) REFERENCES.—Beginning on the date that is 2
24 years after the date of the enactment of this Act, any ref-
25 erence to the Public Company Accounting Oversight

1 Board in any law, regulation, map, document, record, or
2 other paper of the United States shall be deemed to be
3 a reference to the Office of Public Accounting Oversight
4 of the Office of the Chief Accountant of the Securities and
5 Exchange Commission.

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

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

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

13 (1) by amending subsection (a) to read as fol-
14 lows:

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

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

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

5 (3) in subsection (c)—

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

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

12 (C) in paragraph (3), by striking “section
13 104” and inserting “subsection (e)”;

14 (D) in paragraph (4), by striking “section
15 105” and inserting “subsection (f)”;

16 (E) in paragraph (5)—

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

20 (ii) by inserting “and” after the semi-
21 colon;

22 (F) in paragraph (6)—

23 (i) by striking “the rules of the
24 Board” and inserting “the rules of the
25 Commission”; and

1 (ii) by striking “; and” and inserting
2 a period; and

3 (G) by striking paragraph (7);
4 (4) in subsection (d)—

5 (A) by striking “The members of the
6 Board” and inserting “The Chief Accountant of
7 the Commission”;

8 (B) by striking “270 days after the date of
9 enactment of this Act” and inserting “1 year
10 after the date of the enactment of the Stream-
11 lining Public Company Accounting Oversight
12 Act”; and

13 (C) by striking the last sentence;

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

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

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

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

6 (7) by striking subsection (h).

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

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

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

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

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

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

1 **SEC. 504. AUDITING, QUALITY CONTROL, STANDARDS, AND**
 2 **RULES.**

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

5 (1) in the heading, by striking “**AND INDE-**
 6 **PENDENCE STANDARDS**” and inserting “**STAND-**
 7 **ARDS**,”;

8 (2) in subsection (a)(3)—

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

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

12 (C) by redesignating subparagraph (C) as
 13 subparagraph (B);

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

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

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

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

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

24 (2) in subsection (c)—

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

1 (B) by striking “(or Board)”.

2 **SEC. 506. FUNDING.**

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

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

7 “(b) ANNUAL BUDGETS.—

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

15 “(2) THE OFFICE.—The Commission shall es-
16 tablish the budget for the Office for each fiscal
17 year.”;

18 (2) in subsection (c)—

19 (A) by amending paragraph (1) to read as
20 follows:

21 “(1) RECOVERABLE BUDGET EXPENSES.—

22 “(A) STANDARD SETTING BODY.—The
23 budget of the standard setting body referred to
24 in subsection (a) for each fiscal year shall be
25 payable from annual accounting support fees, in

1 accordance with subsections (d) and (e). Ac-
2 counting support fees and other receipts of such
3 standard-setting body shall not be considered
4 public monies of the United States.

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

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

15 (3) in subsection (d)—

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

18 (B) in paragraph (1), by striking “The
19 Board shall establish, with the approval of the
20 Commission,” and inserting “The Commission
21 may establish”;

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

24 (D) by striking paragraph (3);

25 (4) in subsection (j)—

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

2 (B) by striking “, or both,”; and

3 (5) by striking subsection (k).

4 **SEC. 507. DEFINITIONS.**

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

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

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

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

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

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

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

23 (1) by striking “The Board may” and inserting
24 “The Commission may”; and

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

3 (c) SELF-REGULATORY ORGANIZATION.—Section
4 603(y)(3) of the Consumer Credit Protection Act (15
5 U.S.C. 1681a(y)(3)) is amended by striking “any entity
6 established under title I of the Sarbanes-Oxley Act of
7 2002,”.

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

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

“TITLE I—OFFICE OF PUBLIC ACCOUNTING OVERSIGHT”;

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

15 (3) in the item relating to section 103, by strik-
16 ing “and independence standards” and inserting
17 “standards,”; and

18 (4) by striking the items relating to sections
19 104, 105, and 107.

20 **SEC. 509. RULE OF CONSTRUCTION WITH RESPECT TO CO-**
21 **OPERATIVE ARRANGEMENTS.**

22 Nothing in this title, or the amendments made by this
23 title, shall be construed to invalidate or otherwise affect
24 a cooperative arrangement between the Public Company
25 Accounting Oversight Board and a foreign auditor over-

1 sight authority (as defined in section 2(a) of the Sarbanes-
 2 Oxley Act of 2002 (15 U.S.C. 7201(a))) in effect on the
 3 date that is 2 years after the date of the enactment of
 4 this Act.

5 **SEC. 510. REGULATIONS.**

6 The Securities and Exchange Commission may issue
 7 such regulations as may be necessary to carry out this
 8 title.

9 **SEC. 511. EFFECTIVE DATE.**

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

13 **TITLE VI—STUDY REGARDING**
 14 **MAJOR RULES ISSUED BY**
 15 **THE SECURITIES AND EX-**
 16 **CHANGE COMMISSION**

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

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

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

22 “(1) STUDY REQUIRED.—

23 “(A) IN GENERAL.—Subject to subpara-
 24 graph (C), not later than 1 year after the date
 25 of the enactment of this subsection, and every

1 3 years thereafter, the Comptroller General of
2 the United States shall carry out a study on
3 each of the major rules issued by the Commis-
4 sion since the last such review.

5 “(B) ELEMENTS.—The study required
6 under subparagraph (A) shall include, with re-
7 spect to each major rule described in such sub-
8 paragraph—

9 “(i) a cost benefit analysis of such
10 major rule;

11 “(ii) a comparison between the cost
12 benefit analysis under clause (i) and the
13 cost benefit analysis for the same major
14 rule carried out by the Commission;

15 “(iii) a comparison between the pro-
16 jected costs of the major rule and the ac-
17 tual costs of the major rule; and

18 “(iv) an evaluation of whether each
19 major rule—

20 “(I) facilitates capital formation;

21 “(II) promotes fair, efficient
22 markets; and

23 “(III) protects investors.

24 “(C) SPECIAL RULE.—If a study required
25 under subparagraph (A) would apply to more

1 than 10 major rules, the Comptroller General
2 shall review only the 10 major rules that are
3 the most significant, as determined by the
4 Comptroller General.

5 “(2) REPORT.—Not later than 1 year after
6 completing a study under paragraph (1), the Comp-
7 troller General shall submit to the Committee on Fi-
8 nancial Services of the House of Representatives and
9 the Committee on Banking, Housing, and Urban Af-
10 fairs of the Senate a report that includes—

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

12 “(B) with respect to any major rule re-
13 viewed in such study that has not yet been fully
14 implemented by the Commission, a statement
15 that the Comptroller General is unable to fully
16 analyze the costs of the major rule at the time
17 the report is submitted.

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

1 **TITLE VII—MINIMUM PUBLIC**
2 **COMMENT PERIOD**

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

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

7 “(n) MINIMUM PUBLIC COMMENT PERIOD.—

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

13 “(A) at least 60 days; or

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

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

21 “(A) a Federal holiday shall not be count-
22 ed; and

23 “(B) the period shall begin on the date the
24 proposed rule is published in the Federal Reg-
25 ister.”.

**TITLE VIII—SECURITIES
ENFORCEMENT CLARITY**

**SEC. 801. DETERMINATION OF THE NUMBER OF VIOLA-
TIONS.**

(a) SECURITIES ACT OF 1933.—The Securities Act of 1933 is amended—

(1) in section 8A(g) (15 U.S.C. 77h–1(g)), by adding at the end the following:

“(4) DETERMINATION OF NUMBER OF VIOLATIONS.—For purposes of determining the number of violations for which to impose penalties under paragraph (1), separate acts of noncompliance are a single violation when the acts are the result of—

“(A) a common or a substantially overlapping originating cause;

“(B) the same misstatement or omission; or

“(C) a continuing failure to comply.”; and

(2) in section 20(d) (15 U.S.C. 77t(d)), by adding at the end the following:

“(5) DETERMINATION OF NUMBER OF VIOLATIONS.—For purposes of determining the number of violations for which to impose penalties under paragraph (1), separate acts of noncompliance are a single violation when the acts are the result of—

1 “(A) a common or a substantially overlap-
2 ping originating cause;

3 “(B) the same misstatement or omission;
4 or

5 “(C) a continuing failure to comply.”.

6 (b) SECURITIES EXCHANGE ACT OF 1934.—The Se-
7 curities Exchange Act of 1934 is amended—

8 (1) in section 21(d)(3) (15 U.S.C. 78u(d)(3)),
9 by adding at the end the following:

10 “(E) DETERMINATION OF NUMBER OF VIOLA-
11 TIONS.—For purposes of determining the number of
12 violations for which to impose penalties under sub-
13 paragraph (A)(i), separate acts of noncompliance are
14 a single violation when the acts are the result of—

15 “(i) a common or a substantially overlap-
16 ping originating cause;

17 “(ii) the same misstatement or omission;
18 or

19 “(iii) a continuing failure to comply.”;

20 (2) in section 21B(a) (15 U.S.C. 78u–2(b)), by
21 adding at the end the following:

22 “(3) DETERMINATION OF NUMBER OF VIOLA-
23 TIONS, ACTS, OR OMISSIONS.—For purposes of de-
24 termining the number of violations, acts, or omis-
25 sions for which to impose penalties under this sub-

1 section, separate acts of noncompliance are a single
 2 violation, act, or omission when the acts are the re-
 3 sult of—

4 “(A) a common or a substantially overlap-
 5 ping originating cause;

6 “(B) the same misstatement or omission;
 7 or

8 “(C) a continuing failure to comply.”; and
 9 (3) in section 32 (15 U.S.C. 78ff), by adding at
 10 the end the following:

11 “(d) DETERMINATION OF NUMBER OF VIOLA-
 12 TIONS.—For purposes of determining the number of viola-
 13 tions for which to impose penalties under subsection (c),
 14 separate acts of noncompliance are a single violation when
 15 the acts are the result of—

16 “(1) a common or a substantially overlapping
 17 originating cause;

18 “(2) the same misstatement or omission; or

19 “(3) a continuing failure to comply.”.

20 (c) INVESTMENT COMPANY ACT OF 1940.—The In-
 21 vestment Company Act of 1940 is amended—

22 (1) in section 9(d) (15 U.S.C. 80a–9(d)), by
 23 adding at the end the following:

24 “(5) DETERMINATION OF NUMBER OF VIOLA-
 25 TIONS, ACTS, OR OMISSIONS.—For purposes of de-

1 termining the number of violations, acts, or omis-
 2 sions for which to impose penalties under paragraph
 3 (1), separate acts of noncompliance are a single vio-
 4 lation, act, or omission when the acts are the result
 5 of—

6 “(A) a common or a substantially overlap-
 7 ping originating cause;

8 “(B) the same misstatement or omission;
 9 or

10 “(C) a continuing failure to comply.”; and
 11 (2) in section 42(e) (15 U.S.C. 80a–41(e)), by
 12 adding at the end the following:

13 “(5) DETERMINATION OF NUMBER OF VIOLA-
 14 TIONS.—For purposes of determining the number of
 15 violations for which to impose penalties under para-
 16 graph (1), separate acts of noncompliance are a sin-
 17 gle violation when the acts are the result of—

18 “(A) a common or a substantially overlap-
 19 ping originating cause;

20 “(B) the same misstatement or omission;
 21 or

22 “(C) a continuing failure to comply.”.

23 (d) INVESTMENT ADVISORS ACT OF 1940.—The In-
 24 vestment Advisers Act of 1940 is amended—

1 (1) in section 203(i) (15 U.S.C. 80b–3(i)), by
2 adding at the end the following:

3 “(5) DETERMINATION OF NUMBER OF VIOLA-
4 TIONS, ACTS, OR OMISSIONS.—For purposes of de-
5 termining the number of violations, acts, or omis-
6 sions for which to impose penalties under paragraph
7 (1), separate acts of noncompliance are a single vio-
8 lation, act, or omission when the acts are the result
9 of—

10 “(A) a common or a substantially overlap-
11 ping originating cause;

12 “(B) the same misstatement or omission;
13 or

14 “(C) a continuing failure to comply.”; and

15 (2) in section 209(e) (15 U.S.C. 80b–9(e)), by
16 adding at the end the following:

17 “(5) DETERMINATION OF NUMBER OF VIOLA-
18 TIONS.—For purposes of determining the number of
19 violations for which to impose penalties under para-
20 graph (1), separate acts of noncompliance are a sin-
21 gle violation when the acts are the result of—

22 “(A) a common or a substantially overlap-
23 ping originating cause;

24 “(B) the same misstatement or omission;
25 or

1 “(C) a continuing failure to comply.”.

2 **TITLE IX—SEC MODERNIZATION**

3 **SEC. 901. COMMISSION ORGANIZATION.**

4 (a) REVIEW OF THE ORGANIZATION OF THE COMMIS-
5 SION.—

6 (1) REVIEW REQUIRED.—Not later than 180
7 days after the date of enactment of this Act, the
8 Chairman of the Securities and Exchange Commis-
9 sion shall conduct a review of the organizational
10 structure of the Commission, including the offices
11 and officials that report directly to the Chairman.

12 (2) REORGANIZATION.—Not later than 90 days
13 after completing the review required under para-
14 graph (1), the Chairman shall, to the extent prac-
15 ticable and consistent with applicable law, reduce the
16 number of offices and officials reporting directly to
17 the Chairman by reassigning such offices and offi-
18 cials within the organizational structure of the Com-
19 mission.

20 (3) REPORT.—Not later than 30 days after
21 completing the reorganization required under para-
22 graph (2), the Chairman shall submit to the Com-
23 mittee on Financial Services of the House of Rep-
24 resentatives and the Committee on Banking, Hous-

1 ing, and Urban Affairs of the Senate a report con-
2 taining—

3 (A) a description of the offices and officials
4 that reported directly to the Chairman on the
5 date of enactment of this Act;

6 (B) an identification of the offices and offi-
7 cials whose reporting relationships are required
8 by statute;

9 (C) a description of the changes made pur-
10 suant to paragraph (2);

11 (D) an identification of any offices or offi-
12 cials that continue to report directly to the
13 Chairman and the reasons such reporting rela-
14 tionships were retained; and

15 (E) any legislative recommendations for
16 further reducing the number of offices and offi-
17 cials reporting directly to the Chairman.

18 (4) PRESERVATION OF COMMISSION AUTHOR-
19 ITY.—This subsection shall not prohibit the Com-
20 mission from reorganizing the offices described in
21 this subsection in the future, if the Commission de-
22 termines such reorganization is necessary or appro-
23 priate in the public interest or for the protection of
24 investors.

1 (b) REGIONAL OFFICE CONSOLIDATION.—The Secu-
2 rities and Exchange Commission shall, if the Commission
3 determines it appropriate, consolidate the regional offices
4 of the Commission.

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