

107TH CONGRESS  
2D SESSION

# H. R. 3693

To prevent accountants from providing non-audit services to audit clients.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2002

Ms. JACKSON-LEE of Texas introduced the following bill; which was referred  
to the Committee on Financial Services

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## A BILL

To prevent accountants from providing non-audit services  
to audit clients.

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. AUDITOR PERFORMANCE OF NON-AUDIT FUNC-**  
4       **TIONS.**

5       Section 13 of the Securities Exchange Act of 1934  
6       (15 U.S.C. 78m) is amended by adding at the end the  
7       following new subsection:

8       “(i) AUDITOR INDEPENDENCE.—

9               “(1) NON-AUDIT SERVICES PROHIBITED FOR  
10       AUDIT CLIENTS.—The Commission shall, by rule,  
11       prohibit an accountant from being treated as inde-

pendent with respect to an issuer for the purposes of certifying any financial statement required to be filed with the Commission under the securities laws if the accountant performs non-audit services for such issuer or an affiliate of such issuer.

“(2) COMMISSION TO DEFINE NON-AUDIT SERVICES.—Consistent with the protection of investors and the public interest, the Commission shall define the term ‘non-audit services’ for purposes of this subsection.

“(3) DEADLINE FOR RULEMAKING.—The Commission shall prescribe regulations to implement this subsection within 90 days after the date of enactment of this subsection.

“(4) SECURITIES LAWS.—As used in this subsection, the term “securities laws”, notwithstanding section 3(a)(47), means the Securities Act of 1933 (15 U.S.C. 78a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).”.