

107TH CONGRESS
2D SESSION

H. R. 3745

To amend the Securities and Exchange Act of 1934 to require improved disclosure of corporate charitable contributions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2002

Mr. GILLMOR (for himself, Mr. TIBERI, Mr. SHADEGG, Mr. COX, and Mr. ROYCE) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities and Exchange Act of 1934 to require improved disclosure of corporate charitable contributions, 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.**

4 This Act may be cited as the “ Corporate Charitable
5 Disclosure Act of 2002”.

6 **SEC. 2. DISCLOSURE OF CHARITABLE CONTRIBUTIONS.**

7 Section 14 of the Securities and Exchange Act of
8 1934 (15 U.S.C. 78n) is amended by adding at the end
9 thereof the following new subsection:

1 “(i) DISCLOSURE OF CHARITABLE CONTRIBU-
2 TIONS.—

3 “(1) DISCLOSURES REQUIRED.—

4 “(A) SUBSTANTIAL CONTRIBUTIONS TO IN-
5 SIDER-AFFILIATED CHARITIES.—The state-
6 ments or documents described in subparagraph
7 (B) shall include—

8 “(i) a disclosure of contributions
9 whose value exceeds the designated amount
10 that were made by the issuer during the
11 issuer’s previous year to any nonprofit or-
12 ganization of which a director, officer, or
13 controlling person of the issuer, or a
14 spouse thereof, was a director or trustee;
15 and

16 “(ii) the name of such nonprofit orga-
17 nization and the value of the contribution.

18 “(B) STATEMENTS AND DOCUMENTS COV-
19 ERED.—The requirements of subparagraph (A)
20 apply to—

21 “(i) the proxy statement or other doc-
22 uments accompanying any proxy, consent,
23 or authorization solicited by or on behalf of
24 the management of an issuer in respect of
25 a security registered pursuant to section

12 of this title, or a security issued by an investment company registered under the Investment Company Act of 1940, prior to any annual meeting of the holders of such security; or

“(ii) if proxies, consents, or authorizations are not solicited by the management in respect of the annual meeting, the written information statement distributed in connection therewith.

“(2) ANNUAL STATEMENTS REQUIRED.—Every issuer with a security registered pursuant to section 12 of this title, or a security issued by an investment company registered under the Investment Company Act of 1940, shall annually make available, in a format designated by the Commission, the total value of contributions made by the issuer to nonprofit organizations during its previous fiscal year, and, if the value of contributions to any organization exceeds the designated amount, the name of that organization and the value of contributions.

“(3) DEFINITIONS.—For purposes of this subsection—

“(A) the term ‘designated amount’ means such amount as may be designated by the Com-

1 mission by rule, consistent with the public in-
2 terest and the protection of investors for pur-
3 poses of this subsection; and

4 “(B) the Commission may, by such rules
5 as it deems necessary or appropriate in the
6 public interest, define the terms executive offi-
7 cer and controlling person.”.

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