

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 543

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

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2005

Mr. GILLMOR introduced the following bill; which was referred to the  
Committee on Financial Services

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## 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 2005”.

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  
5           TO INSIDER-AFFILIATED CHARITIES.—The  
6           statements or documents described in sub-  
7           paragraph (B) shall include—

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

16                   “(ii) the name of such nonprofit  
17                  organization and the value of the con-  
18                  tribution.

19           “(B) STATEMENTS AND DOCUMENTS  
20           COVERED.—The requirements of subpara-  
21           graph (A) apply to—

22                   “(i) the proxy statement or other  
23                  documents accompanying any proxy,  
24                  consent, or authorization solicited by  
25                  or on behalf of the management of an

1 issuer in respect of a security reg-  
2 istered pursuant to section 12 of this  
3 title, or a security issued by an invest-  
4 ment company registered under the  
5 Investment Company Act of 1940,  
6 prior to any annual meeting of the  
7 holders of such security; or

8 “(ii) if proxies, consents, or au-  
9 thorizations are not solicited by the  
10 management in respect of the annual  
11 meeting, the written information  
12 statement distributed in connection  
13 therewith.

14 “(2) ANNUAL STATEMENTS REQUIRED.—

15 Every issuer with a security registered pursuant  
16 to section 12 of this title, or a security issued  
17 by an investment company registered under the  
18 Investment Company Act of 1940, shall annu-  
19 ally make available, in a format designated by  
20 the Commission, the total value of contributions  
21 made by the issuer to nonprofit organizations  
22 during its previous fiscal year, and, if the value  
23 of contributions to any organization exceeds the  
24 designated amount, the name of that organiza-  
25 tion and the value of contributions.

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

3                   “(A) the term ‘designated amount’  
4 means such amount as may be designated  
5 by the Commission by rule, consistent with  
6 the public interest and the protection of in-  
7 vestors for purposes of this subsection; and

8                   “(B) the Commission may, by such  
9 rules as it deems necessary or appropriate  
10 in the public interest, define the terms ex-  
11 ecutive officer and controlling person.”.

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