IB

Union Calendar No. 647

118TH CONGRESS
2D SESSION

H. R. 8339

[Report No. 118–782]

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

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2024

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

NOVEMBER 29, 2024

Additional sponsor: Mrs. HOUCHIN

NOVEMBER 29, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 10, 2024]

A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "SEC Reform and Restructuring Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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 ACTIONS OF THE COMMISSION.

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

"(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 ex-

pertise to regulate the subject matter covered by the regulation.

"(2) REQUIREMENTS FOR ISSUING A PROPOSED OR FINAL REGULATION.—

"(A) IN GENERAL.—In issuing a proposed or final regulation, the Commission shall—

"(i) clearly identify the market participants who will be impacted by the regulation;

"(ii) utilize the Chief Economist of the Commission to assess the costs and benefits, both qualitative and quantitative, of the regulation, both on the regulation's own and cumulatively with other existing and proposed regulations;

"(iii) only issue the regulation if the Commission makes a reasoned determination that the benefits of the regulation justify the costs of the regulation;

"(iv) identify and assess available alternatives to the regulation that were considered, including modification of an existing regulation;

"(v) ensure that the regulation is accessible, consistent, written in plain language, and easy to understand; and

"(vi) ensure that the length of the public comment period is commensurate with the complexity of the regulation and the expected public interest in the rulemaking.

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

"(i) the results of the identifications and assessments required under clauses (i) and (ii) of subparagraph (A) with respect to the regulation;

"(ii) an explanation of why the regulation meets the regulatory objectives of the Commission more effectively than other available alternatives, including modification of an existing regulation;

"(iii) a description of how the Commission intends the regulation to interact with existing regulations and proposed regulations; and

"(iv) a justification of the length of the public comment period for the regulation.

"(3) CONSIDERATIONS AND ACTIONS.—

"(A) REQUIRED ACTIONS.—In deciding whether and how to regulate, the Commission shall assess the costs and benefits of available regulatory alternatives, including the alternative of not regulating, and choose the approach that maximizes net benefits. Specifically, the Commission shall—

"(i) consistent with the requirements of section 3(f) (15 U.S.C. 78c(f)), section 2(b) of the Securities Act of 1933 (15 U.S.C. 77b(b)), section 202(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(c)), and section 2(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(c)), consider whether a rulemaking (both on the regulation's own and cumulatively with other existing and proposed regulations), in addition to being in the interest of protecting investors, will promote efficiency, competition, and capital formation;

"(ii) evaluate whether, consistent with obtaining regulatory objectives, a regulation

(both on the regulation's own and cumulatively with other existing and proposed regulations) is tailored to impose the least burden on society, including market participants, individuals, businesses of differing sizes, and other entities (including State and local governmental entities), taking into account, to the extent practicable, the cumulative costs of regulations; and

"(iii) evaluate whether a regulation is inconsistent, incompatible, or duplicative of other Federal regulations.

"(B) ADDITIONAL CONSIDERATIONS.—In addition, in making a reasoned determination under paragraph (2)(A)(iii) of the costs and benefits of a regulation, the Commission shall, to the extent that each is relevant to the particular regulation, take into consideration the impact of the regulation on—

"(i) investor choice;

"(ii) market liquidity in the securities markets;

"(iii) small businesses;

"(iv) competition in the marketplace;

"(v) investor access; and

"(vi) the United States' economic competitiveness.

"(4) POST-ADOPTION IMPACT ASSESSMENT.—

"(A) IN GENERAL.—Whenever the Commission issues a final regulation that is a 'major rule' (as defined under section 804 of title 5, United States Code), it shall state, in the regulation, the following:

"(i) The purposes and intended consequences of the regulation.

"(ii) Appropriate post-implementation quantitative and qualitative metrics to measure the economic impact of the regulation and to measure the extent to which the regulation has accomplished the stated purposes.

"(iii) The assessment plan that will be used, consistent with the requirements of subparagraph (B) and under the supervision of the Chief Economist, to assess whether the regulation has achieved the stated purposes.

"(iv) Any unintended or negative consequences that the Commission foresees may result from the regulation.

"(B) REQUIREMENTS OF ASSESSMENT PLAN AND REPORT.—

"(i) REQUIREMENTS OF PLAN.—For each regulation described under subparagraph (A), the Chief Economist shall establish an assessment plan, which shall—

"(I) consider the costs, benefits, and intended and unintended consequences of the regulation;

"(II) specify the data to be collected, the methods for collection and analysis of the data, and a date for completion of the assessment; and

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

"(ii) TIMING OF ASSESSMENT PLAN REPORT.—A report on each completed assessment plan described under clause (i) shall be submitted by the Chief Economist to the Commission not later than the end of the 4-year period beginning on the date the applicable regulation is issued, unless the Commission, at the request of the Chief

Economist, publishes at least 90 days before the end of such period a notice in the Federal Register extending the date and providing specific reasons why an extension is necessary.

"(iii) PUBLIC COMMENT.—Not later than 7 days after the Commission receives an assessment plan report under clause (ii), the Commission shall publish the report in the Federal Register for public comment.

"(5) REGULATION DEFINED.—In this subsection, the term 'regulation'—

"(A) means an agency statement of general applicability and future effect that is designed to implement, interpret, or prescribe law or policy or to describe the procedure or practice requirements of an agency, including rules, orders of general applicability, interpretive releases, and other statements of general applicability that the agency intends to have the force and effect of law; and

"(B) does not include—

"(i) a regulation issued in accordance with the formal rulemaking provisions of

section 556 or 557 of title 5, United States Code;

“(ii) a regulation that is limited to agency organization, management, or personnel matters;

“(iii) a regulation promulgated pursuant to statutory authority that expressly prohibits compliance with this provision; and

“(iv) a regulation that is certified by the agency to be an emergency action, if such certification is published in the Federal Register.”.

SEC. 102. ACCOUNTABILITY PROVISION RELATING TO OTHER REGULATORY ENTITIES.

A rule adopted by the Municipal Securities Rulemaking Board or any national securities association registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) shall not take effect unless the Securities and Exchange Commission determines that, in adopting such rule, the Board or association has complied with the requirements of section 23(e) of the Securities Exchange Act of 1934, as added by section 101, in the same manner as is required by the Commission under such section 23(e).

TITLE II—SEC TRANSPARENCY

SEC. 201. SEMIANNUAL TESTIMONY TO CONGRESS REGARDING ACTIVITIES OF THE SECURITIES AND EXCHANGE COMMISSION.

Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end the following:

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

TITLE III—SEC CYBERSECURITY

SEC. 301. GAO AUDIT OF INFORMATION TECHNOLOGY INFRASTRUCTURE AND HANDLING OF DATA.

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

(1) perform an independent audit of the information technology (IT) infrastructure of the Securities and Exchange Commission and the Commission’s handling of data, including—

(A) a comparison of the Commission's IT spending to other Federal financial regulators, including—

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

(ii) the amount of IT spending in proportion to each regulator's total spending;

(B) examining the quality and effectiveness of the Commission's IT contracting;

(C) determining if the Commission's data and cybersecurity systems and procedures are sufficient; and

(D) examining any recent Commission IT or data events, such as breaches or hacks, that may have compromised the Commission's IT infrastructure or exposed a vulnerability; and

(2) provide to the Commission, the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing—

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

(B) recommendations for steps that can be taken to improve the Commission's IT infrastructure.

TITLE IV—REVIEW THE EXPANSION OF GOVERNMENT

SEC. 401. PERIODIC REVIEW OF FINAL RULES REQUIRED.

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

“(m) PERIODIC REVIEW OF FINAL RULES REQUIRED.—

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

“(A) to facilitate capital formation;

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

“(C) for the protection of investors.

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

"(3) REPORTS REQUIRED.—The Commission shall—

"(A) not later than 1 year after the date of the enactment of this subsection, submit to Congress and make publicly available a report that includes a plan to carry out the review required under this subsection with respect to the final rules described in paragraphs (1) and (2); and

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

"(i) each final rule the Commission reviewed under this subsection in the preceding 5-year period and an explanation of the Commission's findings and actions taken or planned to be taken; and

"(ii) each action or review the Commission failed to carry out in the preceding 5-year period under the plan required under subparagraph (A) and an explanation for such failure.".

SEC. 402. CONSIDERATION OF CUMULATIVE EFFECT OF REGULATIONS REQUIRED.

(a) RULES UNDER THE SECURITIES ACT OF 1933.—Section 2(b) of the Securities Act of 1933 (15 U.S.C. 77b(b)) is amended by inserting ", when considered individually or cumulatively with other rules or regulations or other proposed rules or regulations," before "will promote".

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

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

(d) RULES UNDER THE INVESTMENT ADVISERS ACT OF 1940.—Section 202(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(c)) is amended by inserting ", when considered individually or cumulatively with other rules or regulations or other proposed rules or regulations," before "will promote".

TITLE V—STREAMLINING PUBLIC COMPANY ACCOUNTING OVERSIGHT

SEC. 501. TRANSFER OF PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD TO SECURITIES AND EXCHANGE COMMISSION.

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

*(1) in the title heading, by striking "**PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD**" and inserting "**OFFICE OF PUBLIC ACCOUNTING OVERSIGHT**";*

(2) by striking "the Board" each place it appears and inserting "the Office";

(3) by striking "The Board" each place it appears and inserting "The Office"; and

(4) by striking "the Board's" each place it appears and inserting "the Office's".

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

(c) REFERENCES.—Beginning on the date that is 2 years after the date of the enactment of this Act, any reference to the Public Company Accounting Oversight Board

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

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

SEC. 502. ESTABLISHMENT; ADMINISTRATIVE PROVISIONS.

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

(1) by amending subsection (a) to read as follows:

"(a) ESTABLISHMENT OF OFFICE.—There is established in the Office of the Chief Accountant of the Commission an Office of Public Accounting Oversight, to oversee the audit of companies that are subject to the securities laws, and related matters, in order to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports.";

(2) by amending subsection (b) to read as follows:

"(b) DIRECTOR.—The Chief Accountant of the Office of the Chief Accountant of the Commission shall serve as the Director of the Office of Public Accounting Oversight.";

(3) in subsection (c)—

(A) in the heading, by striking "THE BOARD" and inserting "THE OFFICE";

(B) by striking ", subject to action by the Commission under section 107, and once a determination is made by the Commission under subsection (d) of this section";

(C) in paragraph (3), by striking "section 104" and inserting "subsection (e)";

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

(E) in paragraph (5)—

(i) by striking "the Board (or the Commission, by rule or order)" and inserting "the Commission"; and

(ii) by inserting "and" after the semicolon;

(F) in paragraph (6)—

(i) by striking "the rules of the Board" and inserting "the rules of the Commission"; and

(ii) by striking "; and" and inserting a period; and

(G) by striking paragraph (7);

(4) in subsection (d)—

(A) by striking "The members of the Board" and inserting "The Chief Accountant of the Office of the Chief Accountant of the Commission";

(B) by striking "270 days after the date of enactment of this Act" and inserting "1 year after the date of the enactment of the Streamlining Public Company Accounting Oversight Act"; and

(C) by striking the last sentence;

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

(6) by inserting after subsection (d) the following:

"(e) INSPECTIONS OF REGISTERED PUBLIC ACCOUNTING FIRMS.—The Office shall conduct a continuing program of inspections to assess the degree of compliance of each registered public accounting firm and associated persons of that firm with this Act, the rules of the Commission, or professional standards, in connection with its performance of audits, issuance of audit reports, and related matters involving issuers.

"(f) INVESTIGATIONS AND DISCIPLINARY PROCEEDINGS.—The Commission shall establish, by rule, fair procedures for the investigation and disciplining of registered public accounting firms and associated persons of such firms."; and

(7) by redesignating subsection (h) as subsection (g).

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

SEC. 503. REGISTRATION WITH THE OFFICE.

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

*(1) in the section heading by striking "**THE BOARD**" and inserting "**THE OFFICE**";*

(2) in subsection (b)(2)(H), by striking "the Board or the"; and

(3) in subsection (c)(2), by striking "for purposes of sections 105(d) and 107(c)".

SEC. 504. AUDITING, QUALITY CONTROL, STANDARDS, AND RULES.

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

*(1) in the heading, by striking "**AND INDEPENDENCE STANDARDS**" and inserting "**STANDARDS,**";*

(2) in subsection (a)(3)—

(A) in subparagraph (A)(i), by striking ", subject to the terms of section 107,";

(B) by striking subparagraph (B); and

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

(3) in subsection (c) in the heading of paragraph (2), by striking "BOARD" and inserting "OFFICE"; and

(4) in subsection (d), by striking "101(h)" and inserting "101(g)".

SEC. 505. FOREIGN PUBLIC ACCOUNTING FIRMS.

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

(1) in the heading of subsection (a)(2), by striking "BOARD" and inserting "OFFICE"; and

(2) in subsection (c)—

(A) by striking "and the Board, subject to the approval of the Commission, may,"; and

(B) by striking "(or Board)".

SEC. 506. FUNDING.

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

(1) by amending subsection (b) to read as follows:

"(b) ANNUAL BUDGETS.—

"(1) STANDARD SETTING BODY.—The standard setting body referred to in subsection (a) shall establish a budget for each fiscal year, which shall be reviewed and approved according to their respective internal procedures not less than 1 month prior to the commencement of the fiscal year to which the budget pertains.

"(2) THE OFFICE.—The Commission shall establish the budget for the Office for each fiscal year.";

(2) in subsection (c)—

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

"(1) RECOVERABLE BUDGET EXPENSES.—

"(A) STANDARD SETTING BODY.—The budget of the standard setting body referred to in subsection (a) for each fiscal year shall be payable from annual accounting support fees, in accordance with subsections (d) and (e). Accounting

support fees and other receipts of such standard-setting body shall not be considered public monies of the United States.

"(B) THE OFFICE.—The budget of the Office (reduced by any registration or annual fees received under section 102(f) for the year preceding the year for which the budget is being computed) for each fiscal year may be payable from annual accounting support fees, in accordance with subsections (d) and (e). Accounting support fees and other receipts of the Office.";

(B) in paragraph (2), by striking "shall" and inserting "may";

(3) in subsection (d)—

(A) in the heading, by striking "THE BOARD" and inserting "THE OFFICE";

(B) in paragraph (1), by striking "The Board shall establish, with the approval of the Commission," and inserting "The Commission may establish";

(C) in paragraph (2), by striking "shall" and inserting "may"; and

(D) by striking paragraph (3);

(4) in subsection (j)—

(A) by striking "either the Board,"; and

(B) by striking ", or both,"; and

(5) by striking subsection (k).

SEC. 507. DEFINITIONS.

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

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

(2) by inserting after paragraph (4) the following:

"(5) OFFICE.—The term 'Office' means the Office of Public Accounting Oversight of the Office of the Chief Accountant of the Commission.".

SEC. 508. TECHNICAL AND CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 2(a)(9)(C) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201) is amended by striking ", 101(c), 105, and 107(c) and the rules of the Board and Commission issued thereunder" and inserting "and 101(c) and the rules of the Commission thereunder".

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

(1) by striking "The Board may" and inserting "The Commission may"; and

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

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

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

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

"TITLE I—OFFICE OF PUBLIC ACCOUNTING OVERSIGHT";

(2) in the item relating to section 102, by striking "the Board" and inserting "the Office";

(3) in the item relating to section 103, by striking "and independence standards" and inserting "standards,"; and

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

SEC. 509. RULE OF CONSTRUCTION WITH RESPECT TO COOPERATIVE ARRANGEMENTS.

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

SEC. 510. REGULATIONS.

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

SEC. 511. EFFECTIVE DATE.

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

TITLE VI—STUDY REGARDING MAJOR RULES ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION

SEC. 601. GAO STUDY REGARDING MAJOR RULES.

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

"(n) GAO STUDY REGARDING MAJOR RULES.—

"(1) STUDY REQUIRED.—

"(A) IN GENERAL.—Subject to subparagraph (C), not later than 1 year after the date of the enactment of this subsection, and every 3 years thereafter, the Comptroller General of the United States shall carry out a study on each of the major rules issued by the Commission since the last such review.

"(B) ELEMENTS.—The study required under subparagraph (A) shall include, with re-

spect to each major rule described in such subparagraph—

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

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

“(iii) a comparison between the projected costs of the major rule and the actual costs of the major rule; and

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

“(I) facilitates capital formation;

“(II) promotes fair, efficient markets; and

“(III) protects investors.

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

“(2) REPORT.—Not later than 1 year after completing a study under paragraph (1), the Comptroller

General shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that includes—

“(A) the results of such study; and

“(B) with respect to any major rule reviewed in such study that has not yet been fully implemented by the Commission, a statement that the Comptroller General is unable to fully analyze the costs of the major rule at the time the report is submitted.

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

TITLE VII—MINIMUM PUBLIC COMMENT PERIOD

SEC. 701. MINIMUM PUBLIC COMMENT PERIOD.

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

“(o) MINIMUM PUBLIC COMMENT PERIOD.—

“(1) IN GENERAL.—With respect to a proposed rulemaking for which a public comment period is required under section 553 of title 5, United States

Code, the Commission shall provide a public comment period of—

“(A) at least 60 days; or

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

“(2) CALCULATION OF PERIODS.—For purposes of calculating the number of days in a period under paragraph (1) with respect to a proposed rulemaking—

“(A) a Federal holiday shall not be counted; and

“(B) the period shall begin on the date the proposed rule is published in the Federal Register.”.

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