

109TH CONGRESS  
2D SESSION

# H. R. 6079

---

## AN ACT

To require the President's Working Group on Financial Markets to conduct a study on the hedge fund industry.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Hedge Fund Study  
3 Act”.

4 **SEC. 2. STUDY AND REPORT ON HEDGE FUND INDUSTRY.**

5       (a) STUDY.—The President’s Working Group on Fi-  
6 nancial Markets shall conduct a study of the hedge fund  
7 industry. The study shall include an analysis of—

8           (1) the changing nature of hedge funds and  
9       what characteristics define a hedge fund;

10          (2) the growth of hedge funds within financial  
11       markets;

12          (3) the growth of pension funds investing in  
13       hedge funds;

14          (4) whether hedge fund investors are able to  
15       protect themselves adequately from the risk associ-  
16       ated with their investments;

17          (5) whether hedge fund leverage is effectively  
18       constrained;

19          (6) the potential risks hedge fund pose to finan-  
20       cial markets or to investors;

21          (7) various international approaches to the reg-  
22       ulation of hedge funds; and

23          (8) the benefits of the hedge fund industry to  
24       the economy and the markets.

25       (b) REPORT AND RECOMMENDATIONS.—Not later  
26 than 180 days after the date of enactment of this Act,

1 the President's Working Group on Financial Markets shall  
2 submit a report on its findings to the Committee on Fi-  
3 nancial Services of the House of Representatives and the  
4 Committee on Banking, Housing, and Urban Affairs of  
5 the Senate. The report shall include recommendations, in-  
6 cluding—

7           (1) any proposed legislation relating to appro-  
8       priate disclosure requirements for hedge funds;

9           (2) the type of information hedge funds should  
10      disclose to regulators and to the public;

11          (3) any efforts the hedge fund industry or regu-  
12      lators of financial institutions should undertake to  
13      improve practices or provide examples of successful  
14      industry initiatives; and

15          (4) any oversight responsibilities that members  
16      of the President's Working Group should have over  
17      the hedge fund industry, and the degree and scope  
18      of such oversight.

Passed the House of Representatives September 27,  
2006.

Attest:

*Clerk.*

109TH CONGRESS  
2D SESSION

# H. R. 6079

## AN ACT

To require the President's Working Group on Financial Markets to conduct a study on the hedge fund industry.