

109TH CONGRESS
2D SESSION

H. R. 6079

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2006

Mr. CASTLE (for himself and Mr. LEACH) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hedge Fund Study
5 Act”.

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

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

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

3 (2) the growth of hedge funds within financial
4 markets;

5 (3) the growth of pension funds investing in
6 hedge funds;

7 (4) whether hedge fund investors are able to
8 protect themselves adequately from the risk associ-
9 ated with their investments;

10 (5) whether hedge fund leverage is effectively
11 constrained; and

12 (6) the potential risks hedge fund pose to finan-
13 cial markets or to investors.

14 (b) REPORT AND RECOMMENDATIONS.—Not later
15 than 180 days after the date of enactment of this Act,
16 the President’s Working Group on Financial Markets shall
17 submit a report on its findings to the Committee on Fi-
18 nancial Services of the House of Representatives and the
19 Committee on Banking, Housing, and Urban Affairs of
20 the Senate. The report shall include recommendations, in-
21 cluding—

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

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

1 (3) any oversight responsibilities that members
2 of the President's Working Group should have over
3 the hedge fund industry, and the degree and scope
4 of such oversight.

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