

109TH CONGRESS
2^D SESSION

H. R. 6079

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 2006

Received

NOVEMBER 13, 2006

Read twice and referred to the Committee on Banking, Housing, and Urban
Affairs

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:

KAREN L. HAAS,

Clerk.