

111TH CONGRESS  
1ST SESSION

# H. R. 713

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

---

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2009

Mr. CASTLE 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;

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

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

16          (8) the benefits of the hedge fund industry to  
17          the economy and the markets.

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

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

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

5           (3) any efforts the hedge fund industry or regu-  
6           lators of financial institutions should undertake to  
7           improve practices or provide examples of successful  
8           industry initiatives; and

9           (4) any oversight responsibilities that members  
10          of the President's Working Group should have over  
11          the hedge fund industry, and the degree and scope  
12          of such oversight.

○