

113TH CONGRESS
1ST SESSION

H. R. 2374

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2013

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the Securities Exchange Act of 1934 to provide
protections for retail customers, and for other purposes.

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 “Retail Investor Protec-
3 tion Act”.

4 **SEC. 2. STAY ON RULES DEFINING CERTAIN FIDUCIARIES.**

5 After the date of enactment of this Act, the Secretary
6 of Labor shall not prescribe any regulation under the Em-
7 ployee Retirement Income Security Act of 1974 (29
8 U.S.C. 1001 et seq.) defining the circumstances under
9 which an individual is considered a fiduciary until the date
10 that is 60 days after the Securities and Exchange Com-
11 mission issues a final rule relating to standards of conduct
12 for brokers and dealers pursuant to the second subsection
13 (k) of section 15 of the Securities Exchange Act of 1934
14 (15 U.S.C. 78o(k)).

15 **SEC. 3. AMENDMENTS TO THE SECURITIES EXCHANGE ACT**
16 **OF 1934.**

17 The second subsection (k) of section 15 of the Securi-
18 ties Exchange Act of 1934 (15 U.S.C. 78o(k)), as added
19 by section 913(g)(1) of the Dodd-Frank Wall Street Re-
20 form and Consumer Protection Act (12 U.S.C. 5301 et
21 seq.), is amended by adding at the end the following:

22 “(3) REQUIREMENTS PRIOR TO RULEMAKING.—

23 The Commission shall not promulgate a rule pursu-
24 ant to paragraph (1) before—

25 “(A) identifying if retail customers (and
26 such other customers as the Commission may

1 by rule provide) are being systematically
2 harmed or disadvantaged due to brokers or
3 dealers operating under different standards of
4 conduct than those standards that apply to in-
5 vestment advisors under section 211 of the In-
6 vestment Advisers Act of 1940 (15 U.S.C. 80b-
7 11); and

8 “(B) identifying whether the adoption of a
9 uniform fiduciary standard of care for brokers
10 or dealers and investment advisors would ad-
11 versely impact retail investor access to personal-
12 ized investment advice, recommendations about
13 securities, or the availability of such advice and
14 recommendations.

15 “(4) REQUIREMENTS FOR PROMULGATING A
16 RULE.—The Commission shall publish in the Fed-
17 eral Register alongside the rule promulgated pursu-
18 ant to paragraph (1) formal findings that such rule
19 would reduce the confusion of a retail customer (and
20 such other customers as the Commission may by
21 rule provide) about standards of conduct applicable
22 to brokers, dealers, and investment advisors.

23 “(5) REQUIREMENTS UNDER INVESTMENT AD-
24 VISERS ACT OF 1940.—In proposing rules under
25 paragraph (1) for brokers or dealers, the Commis-

1 sion shall consider the differences in the registration,
2 supervision, and examination requirements applica-
3 ble to brokers, dealers, and investment advisors.”.

Passed the House of Representatives October 29,
2013.

Attest:

KAREN L. HAAS,

Clerk.